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*** Vojvodina Hungarians Charge 'Ethnic Cleansing'**

93BA0672A Novi Sad MAGYAR SZO in Hungarian
7 Feb 93 p 7

[Unattributed article: "This Is a War of Nerves; The VMDK's Szabadka Organization Protests Against Forced Mobilization; People Are Taken Away From Their Homes"]

[Text] "Even under the present grave situation, an unusual mobilization is taking place in North Bacska, which is unseen anywhere else in the country. In addition, the methods employed go far beyond those that authorities of a constitutional state may use, so much so that we can speak of forced mobilization," stated Dr. Csaba Sepsey, president of VMDK's [Democratic Union of Hungarians in Vojvodina] Szabadka organization and federal representative, at a press conference yesterday.

"The authorities who are conducting the mobilization do not adhere to the rule that conscripts must be properly inducted for training and must be given a chance to decide their fate with full awareness of their responsibility, and it is objectionable that the police arrest them without any legal basis, in a humiliating manner, sometimes unnecessarily, with vindictive motives, and with the use of violence. It is also well-known that the VMDK is strongly opposed to the use of military force in the historic conflict between the Yugoslav peoples in which members of the Hungarian minority are unwilling to participate," we heard at the news conference.

Dr. Csaba Sepsey said that, according to the most recent information, internal authorities use clever methods, in an unlawful and objectionable manner, to bring men onto army bases without prior notice. Dr. Konstantin Obradovic, federal minister of human rights and minority affairs, was very surprised when he was informed about this and, when he inquired about it in the Defense Ministry, they were also surprised. This raises the question about the justification for these police methods. Dr. Csaba Sepsey and Jozsef Katona, chairman of the local council of representatives, requested a meeting with the secretary of the local Interior Ministry office.

With Ploy and Force

The VMDK informed the above-mentioned ministry in a letter, its representatives raised this issue in parliament, and a petition was submitted to Szabadka's local grievance committee. Although the local authorities are not involved in the affair, they can forward the petition. In the letter addressed to the ministry, the VMDK's Szabadka organization stated that it has knowledge of about a hundred cases, and listed six examples of forced mobilization through objectionable methods.

On 30 January, Bela Bicskei of Oromhegyes was taken from his home by the police without a warrant to enter his home and without any prior notice. Rudolf Utasi, of

the same town, was forcibly taken away on the same day from a restaurant, and at the Kanizsa army base a drunk officer, wielding a pistol, pressured him to sign up for armed service. Attila Magosi of Orom was taken from his car on the road leading out of Kanizsa and was taken to the Kanizsa army base, leaving his wife, who does not have a driver's license, in the car. Magosi did not receive any prior notice either. On 2 February, Zdravko Stojkovic of Szabadka was taken, without any prior notice, to the army base from his sickbed (he had pneumonia). When it became obvious that he was sick, he was kept in his unit's dormitory. On 4 February, Ferenc Voros, also of Szabadka, was arrested by the police through a trick: They entered his home without warrant under the pretext of a traffic violation he allegedly committed with his car that had been sold earlier and, therefore, had to take him to the police station. He was subsequently taken to the army base, leaving behind his wife with their 13-day-old baby at home. As he was coming out of his home, wearing a folk costume, Illes Lacko, choreographer of Szabadka's Nepkor [People's Circle], was arrested on 5 February under the pretext of having to be taken to the police station to pay the fine for an earlier parking violation. He said at the police station that he should already be on his way, taking 50 children to the Kaposvar International Folk Dance Festival, and when no one reacted to that, he demanded to see the Interior Ministry secretary. After having been promised that, he was taken in a police car—not to the secretary, but to the army base. After the intervention of the Nepkor and the local authorities, he was released after six hours of psychic and physical abuse but his passport was taken away and criminal charges were filed against him. There are several examples of physical abuse. Also, in preparation for induction, young men are routinely interrogated about the party affiliation, workplace, etc. of their family members.

"All this is an integral part of ethnic cleansing," they said at the VMDK, providing legal assistance to those who are abused or who have other complaints in connection with the mobilization.

*** Agoston Urges Sainovic To Begin 'Dialogue'**

93BA0672B Novi Sad MAGYAR SZO in Hungarian
19 Feb 93 p 5

[Text of letter from Andras Agoston, president of the Democratic Union of Hungarians in Vojvodina, to Serbian Prime Minister Nikola Sainovic; date not given: "The Dialogue May Begin; Andras Agoston's Letter to Serbian Prime Minister Nikola Sainovic"]

[Text] Dear Mr. Prime Minister:

The VMDK [Democratic Union of Hungarians in Vojvodina] Presidium greeted the statement you made at the Serbian House of People's Representatives with great satisfaction, namely, that you are ready for a dialogue with national minority representatives. We think that, on the basis of our earlier agreement with the

president of the Republic, all conditions—and, of course, the need, too—exist for a talk between the VMDK and representatives of the Serbian power establishment.

In accordance with these circumstances, the Presidium selected the following delegates for the talks: VMDK Chairman Andras Agoston, VMDK Deputy Chairmen Dr. Sandor Hodi and Janos Vekas, and federal and republican representatives Mihaly Szecei, Dr. Csaba Sepsey, Bela Csorba, and Dr. Sandor Pall. We recommend the proposal for the VMDK's concept of triple autonomy as the starting point for our dialogue. We leave it up to you to call the first meeting and set its time and place.

Dear Mr. Prime Minister, in view of the serious problems that Hungarians in Serbia must face through no fault of their own, we propose that the issues of the intensive war propaganda directed against Hungarians in Vajdasag [Vojvodina] and the so-called quiet ethnic cleansing that is taking place in several areas should be discussed already at our first official meeting.

The forcible and illegal mobilization of Hungarian reservists and the criminal charges that are simultaneously being brought against individual persons who refuse to enter armed service are the most dangerous form of quiet ethnic cleansing. We can present extensive evidence that such measures taken by the power establishment, with the support of the press and television, have elicited a new wave of abandoning homes.

We are particularly distressed by the blatantly discriminating measures in employment, especially in the social fields. These measures directly jeopardize qualified Hungarians who want to be active in these areas. Because of such measures, the rights of national minorities to native-language instruction also becomes questionable in certain schools.

In the hope that our planned dialogue will take place as soon as possible,

I remain sincerely yours,
Andras Agoston, VMDK Chairman

* 'Forcible Occupation' of Houses in Novi Sad

93BA0672C Novi Sad MAGYAR SZO in Hungarian
21 Feb 93 p 9

[Article by Zoltan Nemeth: "Forcible Home Occupants: The Police Are Helping Them; He Promised To Leave the Apartment but Had Telephone Connected; The Authorities Say Nothing"]

[Text] Following Herkoca and a few other towns in the Szeremseg, forcible home seizures began to take place in Ujvidek [Novi Sad], too. Refugees, whose numbers are increasing daily—and those who, taking advantage of the stormy years, have acquired a refugee status and thus have become qualified for assistance and compassion

and, in cases of law infringement, for pardon—not only occupy empty homes but also break into furnished ones. It has happened that the police have assisted them in doing just that.

Police Broke Into the Home

In January, two policemen broke into Nebojsa Popovic's apartment through the door and allowed a woman with four children to move in. Nebojsa was visiting his sister in Sweden. Although the neighbors protested against the forcible and illegal occupation of the apartment, they could do nothing about it.

"It was first the woman who tried to break in through the door, but she could not," said one of the tenants. "I called the police. They came right away. The woman showed them a card and proof that she was a refugee, and then claimed that it was the Red Cross that had given her this address. This could not be true because the apartment is privately owned; Nebojsa did not leave for good, did not sell it or transfer it to anyone. I later heard that the woman had acquired her refugee status by going from here to Bosnia, where she became a resident, received an ID, and then came back. The police did not know what to do, called their superior, a certain man with the name of Borovac, whom I also know to be a refugee coming from some part of Bosnia. I heard with my own two ears that he told the policemen: 'Break in and let the woman in.'"

Popovic was notified by his friends about what had happened. He rushed home. He went to the police for help but got nothing, not even encouragement. He set a 24-hour deadline for the woman to move out, otherwise he would personally throw everyone out. At the deadline, not only the woman and the four children, but also quite a few other refugee children were inside the apartment. Popovic did not take pity on them....

"Those few weeks when they were here were like hell. The hallway and the apartment were full of people into the night. They were loud, played loud music, and we, the tenants, did not say anything. We were afraid of them. There was only one time that I admonished a complete stranger for going onto the roof to eat his dinner. 'There is no electricity; I cannot eat in the dark apartment,' he said, adding that what he does is none of my business. After Nebojsa drove them out, they moved into the next house. That is where they had lived, with relatives, before their forcible occupation of the apartment."

He Would Sell It If He Could

K.L. does not live in Ujvidek but has an apartment in Ujvidek. Except for a rug in one of the rooms, he did not furnish it. He decided last June to sell the apartment, and went to the city with a prospective buyer, but no deal was made because in the meantime someone had moved into the apartment.

Arapac Svetozar and his wife, two children, and mother flew from Cepin, in the vicinity of Eszek, to Ujvidek. A relative of theirs lived in the same house where K.L.'s apartment is located. They lived there until someone called their attention to the vacant apartment in the adjacent hallway.

"I was taken aback when a stranger opened the door of my own apartment. I knew right away that he was a refugee. I quickly suppressed my anger because I thought that it would be better to sit down and talk with him. He told me his story, that they had to leave Croatia, that they were harassed, that they have no place in this town to stay. I said that I understood all that but I would like to sell the apartment. He tried to convince me to rent it to him. I refused because I did not wish to establish any legal relations with them. He offered his three-room apartment in Croatia in exchange. I learned from the Croatian Embassy in Budapest that no foreign citizen may own real estate in Croatia, so I had to refuse the exchange, too. He promised to move out. As time went by, instead of moving out, they added more and more furniture, and even had a telephone installed. I do not know how, but they did it. The last time we talked, they promised to move out in March. If they do not, I will go to the authorities, because I cannot sell the apartment as long as someone is living in it."

I visited the Arapac's, acting as a buyer. They let me in and showed me the apartment. Arapac Svetozar said that they were tenants but would move out immediately if I would buy the apartment. He added that although they have no place to go, he would find something.

Culpable Are the Silent Ones

I wanted to talk with Zavisic Miodrag, the town's police chief, and Zlatibor Paunov, secretary of Urban Development, Housing, and Environmental Protection, about forcible occupancies.

I could not talk with either of them.

I could not talk with the police chief because I did not get permission from the republican Interior Ministry in Belgrade. My request was rejected without explanation. They must have had their compelling reasons.

The Secretariat of Housing is the place where all data on the town's residents are kept. There they know exactly which apartments are vacant and where someone has moved in without a permit. Assistant Secretary Milenko Jankovic would have been willing to discuss this; as he said, "a novel could be written on this subject," but he could not without the permission of Zlatibor Paunov, his superior. I tried to reach Mr. Paunov for almost six weeks, but I never got beyond his secretary. He was always either at an important meeting or was ill. The last time I was told that they were in the middle of a major reorganization and had no time for me.

Is it really time that they lack, or is it courage? Or perhaps this secretariat has the same compelling reasons for being silent that the police have? If that is the case, then why?

*** Statement by Joint Ukrainian-Hungarian Committee**

*93CH0460A Uzhhorod IGAZ SZO in Hungarian
11 Feb 93 p 1*

[Undated statement: "Proposals to the Governments of Ukraine and the Hungarian Republic by the Joint Ukrainian-Hungarian Committee on Ensuring the Rights of National Minorities"]

[Text] The second session of the Joint Ukrainian-Hungarian Committee was held in Kiev. During the meeting the parties exchanged information on how each side performed on the recommendations developed at the committee's first meeting, and presented to the governments of Ukraine and the Hungarian Republic.

Conference participants exchanged views concerning the status of Ukrainian-Hungarian relations with respect to protecting national minorities, and reviewed issues of mutual interest.

The parties expressed their desire to continue to develop cooperation regarding the protection and provision of national minority rights.

They were satisfied to point out the fact that agreements to be signed on 26-27 February during the Ukrainian president's visit to Hungary, concerning the opening of border crossing points and simplified border crossing, are bound to encourage cooperation.

The exchange of a note of ratification giving effect to a consular convention between Ukraine and Hungary is a significant event in the development of bilateral relations. This convention will also be signed during the same visit.

The parties welcomed the intentions expressed by Ukraine and Hungary as a result of opening mutual consular institutions.

To further develop relations to protect and to secure the rights of the Ukrainian national minority residing in Hungary and the Hungarian national minority residing in Ukraine, and to resolve issues affecting the harmonious development of these minorities, the parties regard as appropriate to make the following recommendations to their respective countries' governments:

1. Complete the construction of the city hospital in Beregszasz [Berehove].
2. Activate work aiming for the establishment of a committee to study the historical and cultural heritage of the two countries.

3. Complete the establishment of a committee dealing with school textbooks.
4. Provide radio and television broadcast time once a week for the Ukrainian community residing in Hungary (the length of the broadcasts to be negotiated later).
5. Resolve issues related to the status of Ukrainian students of Hungarian origin, who pursue their studies in Hungary under the sponsorship of various foundations and of the Lower Carpathian Hungarian Cultural Association.
6. Encourage the endowment of a Ukrainian language and literature chair at the University of Budapest and the Slavic philology department of the Szeged Teacher Training Academy.
7. Open a permanent Hungarian nationality theater in Beregszasz.

For this purpose:

- 800,000 karbovanets shall be allocated to cover the expenditures related to the preparations of three graduation performances by graduates of the Kiev Karpenko-Karij Academy of the Performing Arts, which will be included in the theater's repertory.
 - 10 million karbovanets shall be allocated to complete the renewal of the temporary theater.
 - The issue of assigning permanent premises for the theater must be resolved.
8. Complete work related to the founding of a Ukrainian Saturday school in Budapest.
 9. Promote participation by the boys choir of the Kiev Lisenko Specialized Music Intermediate School at the Budapest International Choir Festive (June 1993).
 10. Resolve the issue of transferring and moving by car Hungarian-language literary works for libraries in the Lower Carpathian, and problems related to subscriptions to periodicals and the technical equipment in libraries.
 11. Provide practical assistance to county scientific libraries in opening Hungarian literary divisions.
 12. Encourage in one of the scientific libraries in Hungary—wherever this is possible—the establishment of a Ukrainian literary division or unit.
 13. Stimulate the implementation of festivals by cultural centers in areas where Ukrainians in Hungary, and Hungarians in Ukraine, reside in blocs.
 14. Coordinate efforts aiming for guaranteeing the rights of national minorities in the framework of the Carpathian Euroregion.
 15. Develop interstate programs for the publication of Hungarian- and Ukrainian-language literary works for national minorities residing in Ukraine and in Hungary.

16. Encourage the preparation and signing of a bilateral interstate agreement concerning cultural cooperation.

17. Complete preparations for a cooperative agreement between the Ukrainian Ministry of Public Education and the Hungarian Ministry of Culture and Public Education.

18. Continue encouraging the development and cooperation of areas along the border.

19. Complete on a mutual basis the establishment of simplified border crossing points at Haranglab, Lonya, Kaszony, Barabas, Asztely [Luzhanka], Beregsurany, Tiszaujlak [Vylok], and Tiszabecs.

The parties commit themselves to attentively study the needs and requests of national minority representatives in order to be able to react on time to changes that occur in their lives.

* Hungarian Education, Culture in Ukraine

93CH0461A Uzhhorod IGAZ SZO in Hungarian
11 Feb 93 pp 1, 7

[Interview with Peter Lizanec, head of the Hungarian Department of the Uzhhorod State University and director of the Center for Hungarian Studies, by Lujza Baksa; place and date not given: "Three Decades on Balance"]

[Text] *The year 1993 is a year of anniversaries for the Hungarian Department of the Ungvar [Uzhhorod] State University and the Center for Hungarian Studies. The former was established 30 years ago, while the latter is five years old. This provided an apropos for a conversation with Professor Peter Lizanec, a doctor of philology who heads the department and also serves as director of the Center for Hungarian Studies.*

[Baksa] This double anniversary provides a good opportunity to review the path already traveled. How did all this begin?

[Lizanec] The Hungarian branch was established in 1963, within the Philosophy Department of the Uzhhorod State University. A chair was established two years later. Its main function was to train teachers specializing in Hungarian language and literature. Initially there were only day classes; correspondence courses began in 1969. We are admitting 10 students each for the day classes and for the correspondence courses. The first day students graduated in 1968. Up to now, we have trained 460 professionals, and 276 of these earned their diplomas by attending day classes. This year we are going to have 21 more graduates. A majority of our graduates work in schools, but our former students can also be found in editorial offices, publishing houses, the Patent Printing Enterprise, at Intourist, as well as at the university.

The "birth date" of the Center for Hungarian Studies is 14 January 1988. After managing to establish this institution in Ungvar, and not in Moscow or Leningrad, we were able to begin our organizing work with the university president's directive in hand. The Center was officially opened on 19 November 1989, and systematic work began with that.

[Baksa] I think our readers would benefit if you could discuss the department in more detail. So far as I know, the teaching staff is almost the same as at the start. This is beneficial, in part, because professors with several decades of experience are undoubtedly able to offer more knowledge to students than young professors. On the other hand, the danger exists that such a closed collective is going to have difficulty in renewing itself, to keep in step with the passage of time. This could be one reason for accusations leveled at the department to the effect that the department was not providing for its own replacement. To what extent are such criticisms justified?

[Lizanec] If you were to ask me whether we could work more efficiently, my answer would be yes, we could. But in order to do so we need not replace the entire teaching staff. The lecturers at the department are versatile by virtue of their training; they are well-prepared professors who have the knowledge of this trade in their little finger, as the saying goes. Other than that, almost all of them earned their scientific degrees while teaching at the university. This year, however, two of them have reached the retirement age, and I, too, am past 60. In other words, renewal has now become indispensable. But we are not unprepared to do so. Five young people have worked half-time and quarter-time at the department for two years now. Two of them will become full-fledged members of the teaching staff beginning in September. Other than that, we are continuously training scientific associates. Unfortunately, however, the way things turned out, not one of the candidates has become a university professor in recent years, because Laszlo Vari Fabian, Lajos Nema, Janos Perduk, and Ersebet Glodan discontinued their studies as candidates for various reasons. We might have more luck with Csilla Fedinec and Ferenc Kalman. And let me also say that for years we have engaged at our department guest professors from Hungary, and while previously only one or two students were able to attend one semester at some Hungarian university, for the past four years an opportunity to do the same has existed for groups of students (in their third or fourth year). So that one really need not be concerned about the preparedness of our students.

[Baksa] Professor, you stated that the main function of the department is to train Hungarian language and literature teachers. Is there anything else you do?

[Lizanec] Of course, very many things, but I must also say that the professors at the Hungarian Department deliver far more lectures than professors at other departments. This can be explained by the fact that we have only a few students; thus our professors lecture on

several subjects in order to accumulate an appropriate number of hours. But returning to your question: We take part in writing text books and programs for Hungarian schools; we published several monographs, textbooks, and didactic materials for the students at the department; we published the programs of every discipline in book form; but allow me not to continue listing all the things we did. Here, for example, is a textbook we put together: *Introduction to Linguistics*. Before publishing this book, our students studied this subject in the Russian or Ukrainian languages. Now they can learn the same in their native language. I will note that by now they are learning only 20 percent of the subjects in the Ukrainian or Russian languages; the rest are taught in Hungarian.

[Baksa] Compared to the 30-year-old Hungarian Department, the five-year-old Center for Hungarian Studies is quite young. But only in terms of age, because its achievements have already attracted significant international recognition. Paradoxically, here, in this country they know far less about the center's activities than abroad. Why is that?

[Lizanec] Perhaps because our work is not spectacular, most of it is research and data collection, which demands much time and effort. But I think we are doing something useful. There is tangible proof for that. Last year, Akademia Publishers in Budapest published the first volume of the *Lower Carpathian Hungarian Language Use*, an atlas with 407 linguistic maps we prepared. Similarly, the *All-Carpathian Language Atlas* was published in 1992. This book was published in Warsaw, it was produced by Poles, Hungarians, Ukrainians, Serbs and Slovaks, and in it we listed all those words that are common to the languages of all the above people. The reader is able to familiarize himself with the origin of the word, he can learn in which age they began to use a given word, in which area it is being used, and so forth. In addition to a bibliographic publication entitled *Hungarian Studies at the Ungvar State University*, we prepared three handbooks for those who want to learn Hungarian and Ukrainian. We wrote the book entitled *The Names of the 14 Settlements of the Ungvar County District* jointly with Katalin Horvath and Ersebet Szabo. This, too, was published last year, under the sponsorship of the ELTE [Lorand Eotvos University of Science] Hungarian Linguistic Designation Research Working Group. We finished work on two volumes of a *Dictionary of Lower Carpathian Hungarian Language Use*; this is awaiting publication.

[Baksa] Some people claim that the research programs of the Center for Hungarian Studies are incomplete from the standpoint of subject matter coverage. These people also give advice as to what you should be pursuing more intensely. I will be candid about this: I regard this kind of thing as inappropriate interference. Even if the one who provides this advice is a member of the profession. The center is a state institution, and as such it probably has its own tasks. Or could I be mistaken? Do you also

receive money from abroad in addition to the advice? Who is financing your research programs?

[Lizanec] The Center for Hungarian Studies is financed by the Ukrainian Ministry of Public Education; it allocates 6 million karbovanets every year from the state budget. We submit to the ministry a detailed scientific program, and we receive the money if they approve our program. After completing our work we must also report our results. Only after completing a program do we receive funds for the next research project. At present, the state budget finances four of our research topics. These are:

1. "The History of the Lower Carpathian Region From the Most Ancient Times to Our Days" (a complex examination based on archival resources from the standpoint of demography, socioethnography, and so forth);
2. "The Relationship Between the Slavic and Other Peoples of the Lower Carpathian With the Neighboring Hungarian Populace"—a complex, history-oriented, onomastic, and ethnic research;
3. "Mutual Impact of the Ukrainian and Hungarian Populace in the Lower Carpathians as Reflected in Populist Customs and Traditions"; and, finally,
4. "Ukrainian-Hungarian Linguistic and Literary Relations."

[Baksa] You frequently organize exhibits and meetings at the Center for Hungarian Studies. Do these amount to a certain kind of relaxation along with the serious research work?

[Lizanec] This, too, is part of the tasks we agreed to perform, notably to advertise and to foster Hungarian culture. During the past five years we organized more than 20 exhibits, and we hosted international scientific conferences on five occasions. And one more piece of information: Associates of the center delivered 35 scientific presentations at international conferences and conferences held in the Republic. We maintain contact not only with scientific institutions in Hungary, but also with institutions in other countries, primarily with those in which Hungarian-studies institutes are functioning, i.e., with similar institutions in France, Germany, Italy, and the United States.

[Baksa] Professor, you hold membership in a number of international editorial committees and societies. Among other positions you hold, you are the vice chairman of the International Society of Hungarian Linguists, you have been awarded the "Pro cultura Hungarica" decoration and the Balint Csury medal, and you are an honorary member of the Hungarian Linguist Society. They not only are aware of you abroad—you also enjoy their recognition—yet you are being criticized in your country. Some people claim that you are a Ukrainian nationalist, and demand that you surrender the top posts at the department and the center. At the same time, some newfangled "democrats" of the Ukrainian nationality

regard you as a Hungarian nationalist. How do you put up with these rough attacks leveled at you by some?

[Lizanec] Look, the exact tenor people use depends on their intellectual level. For this reason I tolerate attacks against my person. You certainly must have noticed that I do not react to these attacks by writing open letters. I do not react, in part because of the level at which these attacks are made. I do not believe that they are worthy of arguing, and in part, because these diametrically opposite attacks go to prove that I am most likely following the appropriate path. I am trying to use an objective approach to the names of localities; I do not want to change any of these into either Hungarian or Ukrainian.

[Baksa] Even though some people felt that you were doing the former, while others thought that you were doing the latter in a proposal the Center submitted to the county council seeking to restore the old names of settlements. Many fail to understand why you insist that, for example, Batyu be called Batyovo in Ukrainian, that Janosi be called Janosovo, and so on.

[Lizanec] I am pursuing this because every language, thus also the Ukrainian language, has its own rules. And based on the rules of the Ukrainian language, the proper Ukrainian names of these places are Batyovo, Benya, Janosovo, Koszino, and so forth. We submitted our recommendations to the county council concerning village names on 5 July 1991. These recommendations have been debated countless times in permanent committee sessions. In the end it appeared that a common denominator could be found, but then a resolution promulgated at the most recent session of the council came unexpectedly: They adopted a proposal submitted by the Beregszasz [Berehove] county district legislators that disregarded every linguistic rule, in disregard of our position according to which every language stays alive according to its own rules: Proper language use demands Janosi in Hungarian and Janosovo in Ukrainian. And this also holds true in the reverse. Why should a person whose native language is Hungarian have to say "Velikij Bereznij," when from his standpoint that place is called Nagyberezna. In other words: I am opposed to situations in which they want to force the rules of one language on another language.

[Baksa] What are your plans for the immediate future? And finally, a question that is of interest to many: Does the teaching of Hungarian, does the Hungarian language, have a future in the Lower Carpathians?

[Lizanec] Let me begin by answering your second question. There is a future. I am certain that in Ukraine there will be an opportunity for the languages to develop, and to foster the cultures of national minorities. As of today, about 50 Hungarian-language courses are available for people whose native tongue is Russian, Ukrainian, or some other language. And the need to learn Hungarian is only going to increase with the establishment of a free trade zone. As of today, the Hungarian language is taught in 26 Ukrainian and Russian language schools, and in

one school where the language of teaching is Romanian. Accordingly, there is a future.

Insofar as our plans for the immediate future are concerned, the department and the Center for Hungarian Studies will introduce themselves at the Lajos Kossuth University of Sciences of Debrecen on 10 February. Knowing that we will not go there empty-handed makes us feel good; we have done something during the 30 years of our existence to develop the Hungarian language and to train professionals in the Lower Carpathian region.

*** Fired Managing Director Views Turmoil at MTV**

93CH0396A Budapest *MAGYAR NARANCS* in Hungarian 11 Feb 93 p 4

[Interview with Gabor Banyai, former managing director of Hungarian Television, Channel 1, by Peter Nadori; date and place not given: "They Rub Our Noses Into the Very Job We Were Appointed To Do"]

[Text] [Nadori] Let us start with the time when Elemer Hankiss was appointed director of Hungarian Television [MTV], and you became the institution's managing director. At that time, for a short while it seemed that you would only have to cope with internal, professional problems.

[Banyai] We are in 1990. Before his appointment, Elemer Hankiss comes to me and says that we should do this together. I have experience, because I had spent eight years at the television already; they gave me the boot at Christmas of 1982. After a month-long discussion I say yes. We analyze the difficulties that could arise; we forget only one thing, the one that happened: That of all things, the calm power leading the change of regime would turn against us. As managing director, I am faced with television's dilapidated condition, with its financial difficulties, with personal problems, with former colleagues, with disliked colleagues, with the ones who gave me the boot. Those who are worried that now I would take revenge soon find out that I am not a vindictive type; they realize that they have no reason to fight because I returned to television to work. These people subsequently behaved in a very proper way. The ones who behaved improperly were not they, but those who have the most to hide, that is to say, those who were most involved with the previous regime. They don't know yet what Tamas Katona will say only two-and-a-half years later, that this regime needs hirelings, but they sense it with their sixth sense. Just imagine if they had an inkling that the "hireling" will be supplemented with the epithet "with a trusty Hungarian face." At any rate, they start to behave like "hirelings with a trusty Hungarian face" in good time. Their calculations pay off, because the "hirelings with a trusty Hungarian face," those who transfer their loyalty loudly and in good time, those who step over others, will be the core troops of the calm power. In the first months this is only beginning to take shape. It also turns out that the

necessary condition is not to be liked, but to be able to work together—and it seems that this will indeed be possible.

[Nadori] Since when could one perceive the political tension around MTV?

[Banyai] Two events can be pinpointed. The first one happens when the proposal is made before the election of self-governments that the two highest constitutional authorities should address the voters immediately before the campaign stop. We are making preparations for this event, but at a particular moment the President thinks that it makes no sense to disturb the campaign stop with this address. According to the predetermined plan, namely that either both of them will speak or neither of them, we decide that the program will be canceled. This is the first break. From this moment on, the government organs blare that the prime minister of Hungary fell under censorship on Hungarian Television, that he cannot give a speech when he wants to. The second break is the appointment of managing directors, although this is not immediately apparent.

[Nadori] You became managing director of Channel 1, and for a short time before his resignation, Tamas Vitray became managing director of Channel 2.

[Banyai] We are appointed on 6 December 1990, and take office as managing directors in 1991. In January, I lay out my ideas concerning Channel 1 before the Cultural Committee of parliament, and they are greeted with unanimous approval there. It will only turn out later that the coalition majority of the committee believed that the two managing directors perform vice-presidential tasks, and vice presidents can only be appointed by means of a procedure that complies with the law on appointments. From this point on, the breaking points multiply. We begin implementing the plan; we don't get any support from the state; at the March meeting of the committee, the plan is attacked, and the process is halted in the middle.

[Nadori] In your opinion, what did you achieve at Channel 1 in two years?

[Banyai] A team was brought together at Channel 1; we established our commercial organization; the system of producers and contracting editorial offices was instituted, and new, large-scale programs were launched: first "Morning," and then "Daytime." The channel started to operate in a way reminiscent of television, of the kind that we think is a progressive model, that is to say, of the type of the British Channel 4, to mention only the best. At the same time, certain entities which didn't want the system of producers—sports, foreign policy—stayed independent throughout in the center. Channel 1 was a working model, an organization independent of politics and the budget. On the level of slogans one can say that this was not public television, but once we are confronted with the facts, one cannot. Of the total program time of Channel 1, 65 percent was our own, domestic production. This percentage is 40 percent in public

televisions worldwide. We set up a council of journalists and a council of viewers; thus, for lack of legislation, we created a sort of social control ourselves. In terms of politics, we attempted to keep a balance throughout, and take an objective tone. The coalition stresses impartiality, by which they mean that television should be their organ—this did not happen. We did not steal, did not deceive, and did not lie.

[Nadori] Should we then understand that the proceedings currently under way against Economic Director Laszlo Nagy will reveal that the accusations against him are unfounded?

[Banyai] It has already been revealed that the whole matter is fabrication, but they are not interested in that. Our sin is that television remained functional. Something which would deserve a medal in every normal country deserves a trial here.

[Nadori] According to certain dominant personages of television, Elemer Hankiss, Laszlo Nagy, and you are traitors, peddlers of the nation's property, oath-breakers, and one could go on and on. In your judgment, did the management of television hallmarked by the name of Hankiss do the job assigned to it in 1990?

[Banyai] In 1990 the assignment was to transform the structure of MTV, become financially independent, and start on the road from state television to public television. Now, they rub our noses into the very job we were appointed to do. In the meantime, a political change took place, together with a change in economic views. There exists a secret executive order which was formulated by Kupa's team, according to which institutions depending on the budget should try to carry out activities which don't strictly belong to their basic tasks in the form of enterprises in order to relieve the budget. This is what we did. But in the meantime it seems that the economic views have changed and then came this horror a la Csurka which says: "Hungarian goods on a Hungarian market for the Hungarian opposition, for the Hungarian Government." The possibility that television and radio will be lost as far as the freedom of the press is concerned, is only one of the consequences. Mr. Katona says that the government doesn't want to invade in any way, but in the meantime, every day there are some under secretaries there to explain to television personalities why this is the best of all existing television systems. The entire body of counselors for the new leadership is the party committee of the 1970's who are capable of serving anyone. Whether they have a trusty face?

[Nadori] Why did they make you walk through every ludicrous station of the cross—being led away by the police, house search, and so on—if in the meantime they had no material to make a cross?

[Banyai] There are several reasons for this. One is the incredible haste: The national convention of the Hungarian Democratic Forum [MDF] was impending, and they had to produce some results. It is a part of the Hungarian absurd that the result which the center

needed was written in the Csurka script. The other reason is that the center harbors incredible mediocrity, and they implement the matter in a stupid, bad way. One cannot initiate proceedings in this way; denunciation must have some foundation. On 2 November, the present master of television, Mechanical Engineer Nahlik, sends a report to the Office of the Prime Minister; the report is lying there until 30 November, when in the morning Arpad Goncz says he will not sign—and in the afternoon of that very day they take up the matter. Moreover, to provide a reason, in order to lift the decree to sequester 1 billion forints of the budget, they order a targeted investigation at the Television. That they violate the budget law? Who cares? Namely, according to the law, only and exclusively a state institution is allowed to inspect the books of an institution dependent on the budget, but the Finance Ministry appointed two private firms to carry out the inspection. On the first day it turns out that one firm is indeed carrying out the targeted investigation, while the other is only inspecting Channel 1. It is apparent that they have instructions which contracts to look at. Two employees of this firm owned by Palok complete the job in three weeks, while it took 15 employees of the State Audit Office five months to inspect the MTV, and then they said they hoped they had an adequate overview of the matter. It can be demonstrated that when the disciplinary investigation against Elemer Hankiss is launched, they refer to Palok's material; that is to say, one week before the investigation is closed, Palok, again illegitimately, hands data over to the justice minister. False data, but who cares? The minister immediately launches the attack. In 15 minutes, they whip up a report to the police; the officer entrusted with leading the investigation resigns and leaves the force, because it is so apparent that a show trial is in the making. A week later they get a slap in the face, that in my case they have to drop even the suspicion because it is unlawful. They don't consider that they would lose less prestige if they got out in time than if they continued to the bitter end. But then again, they are not interested in prestige, and this is the main issue: The three of us must be removed from television.

[Nadori] In your case this was accomplished through a disciplinary procedure. How did it happen?

[Banyai] It was incredible. I have never seen anything this absurd. Our defending counsel, Peter Barandi, secretary general of the Bar Association, also said that he has not seen anything of the like since he started practicing law. What was going on? Number one: The accuser and the judge were one and the same person. I think this principle is worthy of imitation because it shortens proceedings incredibly. Number two: The end of the play is written—Hamlet passes on. But to leave out the second, third, and fourth acts, and make Ophelia the ghost and Claudius the midget, is not fair, because then I don't understand why poor dear Hamlet has to die at the end. Number three: The disciplinary commissioner, a former labor arbitrator from Szekszard, enumerates what he thinks are the charges—they were copied from

Palok's fake expert report. At the hearing we countered them with 6,000 facts, but they did not make any changes in the indictment by the time of the disciplinary procedure. We indicate that Hungary's best certified legal accountant is ready to prepare an independent report of all this, plus we introduce more than 20 witnesses. The answer of Mr. Mechanical Engineer who presides over the disciplinary council is: He does not allow evidence because that only takes up time. At a certain point during the hearing, the disciplinary commissioner says, how irresponsible it is that the "Morning" which is produced by an outside firm is broadcast live. It should have been produced internally, approved by a committee, paid for, and then broadcast. I say, excuse me, the problem with this is that this is a live program, a news program among other things, and this is the essence of television. Then he looks at me and says, notice already that the program is not important! In connection with the "Morning," the following was also said: The program's preliminary budget was prepared: let us say 1 million forints per day, to name a round figure. The actual cost, after we prepare a favorable plan, will be 500,000 forints per day. MTV pays this amount to Novofilm, and this can be proved by invoices. The conclusion of the indictment was that Television lost 500,000 forints a day. This is written in the document. I can give another example: One of the charges against me is that I traveled too much and the business profit of the trips cannot be measured. I can answer this: I am on the board of four large international television organizations, and this provides incredible advantages for MTV. If we take just the Stalin-coproduction, we can see that the income it produced is five times the amount all my travels in two and a half years' cost. The disciplinary commissioner is not interested in this; during the disciplinary proceedings he modifies the charges to the effect that he is convinced that I undertook private trips. To which I say that this is slander and I will report him if he does not prove it. His answer: The accuser never has to prove anything. In other words, they didn't even keep to the form, and the disciplinary decision which we received doesn't contain one word of justification—namely, they don't have any proof whatsoever.

[Nadori] This is actually a method that became accepted during the Hankiss hearing in May 1991, isn't it?

[Banyai] Yes. We know well where the method was developed: it has a past spanning several decades. The decision to discharge someone looks approximately like this. Statement: You killed someone. Answer: I didn't. Proof: You did. Decree: You did.

[Nadori] You were discharged from Hungarian Television by Gabor Nahlik. What do you think of him?

[Banyai] He must be an excellent mechanical engineer; I wouldn't know. That he knows nothing about television, he has proved since March. But he also proved that he is being directed by someone, apparently from the Csurka line. My feeling is that he will only remain a key person for a while, until he finishes the dirty work. After him, a

more consolidated person can come who has his own brain and his own responsibility. I think when Nahlik was appointed, Ferenc Kulin and Arpad Goncz were both hoodwinked. Ferenc Kulin believed throughout that he was the one who invented this Mr. Nahlik, but he only rose to the bait. Kulin seriously believed this, and made Arpad Goncz believe it, as well. Within three hours after the appointment people realized who this guy was, but by then the Trojan horse was on the inside.

[Nadori] What effect do you think the events had on Hungarian Television?

[Banyai] The really depressing thing is that we don't know whether our example will strengthen or rather weaken civilian courage in people, both within Television and in society, because people are saying, "See, they were at it for two and a half years, and still they can be beheaded." The second thing: Both in Television and in Radio, they are destroying in minutes what we started to construct, and the completion of which the government is hindering. They will put an end to the independence of channels, because according to Mr. Nahlik, competition is not good—although, up to now, the Hungarian viewer profited a great deal from it. The two channels will be in one hand, and there will be general editorial offices; in other words, they will return to the system of the 1970's. The less independent workshops there are, the easier it is to control them. Journalists are also returning to the method they learned during Kadarism. Second, because of the regressions, the organization of MTV will not be competitive, or difficult to beat, on the developing media market. They will lose the opportunity which we wanted to implement without asking a penny from anyone starting March 1: the 24-hour channel. Third: While we raised additional resources not from the taxpayers' money but from commercials and similar capital, now they are producing deficit, because in the first 10 days of the year, Mr. Mechanical Engineer threw away 600 million a day by creating the scandal with IP [expansion unknown], saying that there is no approved commercial structure. If they keep IP, they will, say, turn it into a corporation from a limited-liability company; this way they can kill two birds with one stone. On the one hand, they will prove that the limited liability company was registered illegally—the government will immediately give permission for the stock company; on the other hand, in a stock company, there is a supervisory committee, and there is a board of directors, where they can put television people of their own. That this will perhaps cause a drop in income? Doesn't matter. How can the deficit be made up? Only from the budget. How can the 2 billion for the Duna TV, which interestingly is developing a very close symbiotic relationship with MTV, be produced, when it is not in the budget? The budget of Television had to be subordinated to the Office of the Prime Minister, because then one can modify its basic tasks, and even the subscription amounts can be regrouped.

[Nadori] What do you mean by the symbiotic relationship between the MTV and Duna TV?

[Banyai] Someone has already been appointed to Television with this task. This person was employed in an unimportant office in MTV before, and we let him go. Interestingly, he became a columnist with UJ MAGYARORSZAG; now, he is at MTV again, and he is the contact with Duna TV. What does one need a contact for? Is this an illegal movement, or what? The programs of Channel 1 and Channel 2 appear on Duna TV with the knowledge of certain people. The construction of a media empire is under way, and indeed, by now, with the money of taxpayers. Who pays for hirelings? The taxpayer, that is to say, I. For the hireling who will come to lead me away. That the same thing should happen again, that a hireling should ring the doorbell and say, I came for you, lumber-looking one, not against you, this is somehow not right. Not in economic terms, either.

[Nadori] Did you appeal the decision of the disciplinary council?

[Banyai] Of course. In court, evidence must be allowed. If the court is really independent, we will be able to prove that we are right. There are two issues here. One: To clear ourselves in the matter of the stolen coat [allusion to a joke: "He either stole the coat, or his coat was stolen; at any rate he was involved in it"], should someone actually have doubts; two: to show that we are at a level of democracy where the court must take care of matters when political forces cannot. At the same time, we must be aware that this will take months, and in the meantime television and radio will be finished off.

* Editors on Cutback in Novi Sad Hungarian TV

* Views of Editor in Chief

93BA0670A Novi Sad MAGYAR SZO in Hungarian
18 Feb 93 p 7

[Interview with Marko Kekovic, director and editor in chief of the information programs of Novi Sad Television, by Erika Kabok; place and date not given: "Please Write That I Was the One Who Decided"]

[Text] In connection with the drastic cutback of minority-language TV programs, we asked Marko Kekovic, director and editor in chief of the information programs of Ujvidek [Novi Sad] Television, for an interview.

As of 1 March, Ujvidek Television's minority-language programs will be drastically cut back. We asked Marko Kekovic, director and editor in chief of the information programs, to talk with us, for there has been no written evidence of any cutback. The editor in chief merely informed minority editors about the decision.

Marko Kekovic was willing to do an interview but, rather unexpectedly, TV cameras were already completely set up when I arrived. They recorded the conversation because, as they said, they also needed documentation.

[Kabok] Why the cutback in minority-language programs?

[Kekovic] Before we talk about that, let us look at what remains of the programs. Can you list what remains?

[Kabok] What I know is that Hungarian-language programs will be cut back by 22 percent, Romanian- and Ruthenian-language programs by 50 percent, and Slovak-language programs by 62 percent...

[Kekovic] You were fast in calculating percentages, but we are now talking about information programs, are we not, and the information programs will remain unchanged.

[Kabok] Yes, but the airing of the Napjaink program, for instance, which is a political and economic magazine, i.e., an information program, will be cut back. Do you think that minorities do not need a more thorough discussion of current topics?

[Kekovic] You are exaggerating a little. We have retained one program of the Napjaink. Also the Panorama, a similar Serbian-language program, was aired only once a month. And we know well that it was very difficult to find topics for it, and the reasons for cutting back the frequency of also the Napjaink were simply professional reasons. If a more thorough discussion of a topic is wanted, the three daily informative programs may be used, so it is possible to cover it. And there is the Barazda, whose frequency was cut back for the same reasons, but it was difficult to find topics for that, too, and that was the reason for the cutback, and, after all, it also offers opportunities for doing economic analyses. Incidentally, the Serbian-language Brazde is also programmed only once a month. I do not think that minority rights are being violated by these program cutbacks.

[Kabok] I cannot agree with you, for you have Serbian-language contact programs and other Serbian-language roundtable discussions and similar programs, but there is only the Napjaink in the Hungarian language.

[Kekovic] We are not here now to agree with each other. In essence, what you want to accomplish is to put Hungarians into a privileged position. Do you not think that we all have to face the consequences of our difficult economic situation?

[Kabok] Absolutely, but then, why are only minority programs cut back?

[Kekovic] Tell me, which ones?

[Kabok] The Jelen-let, the TV Sports... those programs that play a role in preserving language and identity and that offer culture.

[Kekovic] You came to this talk totally unprepared. The TV Sports will not be discontinued. The editors of learning and culture and documentary programs will in the future strengthen their nationality-language programs. Until now, these programs were prepared by the information editors out of habit, out of inertia.

[Kabok] This means that these programs will not be permanently discontinued; only that different editors will prepare them.... Will the Jelen-let and the other programs also remain, then?

[Kekovic] That is not what I said. What I said was that the editors of learning and culture and documentary programs will strengthen their programs, but that does not mean that we will automatically adopt the old ones.

[Kabok] Is some kind of a plan being prepared for this or will it perhaps be decided from program to program, which minority programs will be aired?

[Kekovic] Aside from the various commentaries, we do nothing around here from program to program. The only exception is the situation in which we find ourselves at present, caused by international sanctions that affect every segment of society.

[Kabok] What were your guidelines for the program cutbacks?

[Kekovic] Every information program will remain in its entirety. And we proceeded very carefully in the case of programs whose frequencies were cut back. Cutbacks were done exclusively for professional reasons.

[Kabok] You say that information programs will not be discontinued. The foreign policy magazine Globusz will also be discontinued....

[Kekovic] This program has nothing to do with the measure package, for it was discontinued earlier.

[Kabok] To my knowledge, Serbian-language programs are being expanded...

[Kekovic] Expanded? Which ones?

[Kabok] I heard that a program entitled Through Vajdasag [Voivodina] will be started.

[Kekovic] Started?

[Kabok] Or that it will get another slot in addition to the one it already has...

[Kekovic] See, how misinformed you are.... No one was interested which Serbian-language program was discontinued and when. There have been such programs even in the Serbian language. The Hungarian-language Video Marketing will be discontinued; there was also such a program in the Serbian language, which was discontinued because it was a luxury. Not only for a TV studio such as ours but also for much more prosperous ones. And not even major TV studios—let alone ours in the present situation—can afford to run the Paragrafus, a program discussing individual problems.

[Kabok] Will any Serbian-language program be discontinued?

[Kekovic] No.

[Kabok] You justify your decision by referring to the difficult economic situation, but, then, how is it that only minority programs are being cut back?

[Kekovic] You keep insisting on making comparisons, and look at Hungarians and Serbs separately. Should I now remind you of our difficult position, caused by the sanctions? I think that it is highly improper to insist on comparing one editorial staff with another. The Hungarian editorial office of information has always been larger than the Serbian office. Hungarians always had more programs than the Serbs. In such a situation, not insisting on such comparisons would be a minimal sign of solidarity. Do you think that Hungarians should not also share the burdens?

[Kabok] I do not think that but, then, everyone should share them...

[Kekovic] Quite intentionally, I am avoiding the various arguments, but if you tell me how many TV programs Hungarians living in Romania, Slovakia, or Austria have, then we can continue the conversation!

[Kabok] Yugoslavia earned respect and distinction, among other things, by giving more extensive rights—as it was said—to minorities living here than those specified in international documents; that is why we were able to live in this multinational country as we did.... Therefore, one should not consider reciprocity a basis.

[Kekovic] What I said was that you are the one to talk about reciprocity. You said that minorities had more extensive rights than those guaranteed in international documents, therefore, the least this Yugoslavia can expect from its minorities is solidarity.

[Kabok] But the economic situation affects only the minority programs...

[Kekovic] That is not true. It also affects cultural and art programs, the Belgrade editors, and those of Pristina as well.

[Kabok] Who made the decision that minority programs must be cut back?

[Kekovic] If you ask this question to find out whom to concentrate all hate on, please write that it was I, Marko Kekovic. Incidentally, the decision was made by the European Community and the UN through their strict sanctions, and by Hungary, through urging for even stricter sanctions.

[Kabok] Is this program cutback temporary?

[Kekovic] After the sanctions are lifted and their consequences are remedied, we will examine our financial situation and then we will see what we can do.

[Kabok] I do not believe that minority-language programs are more expensive than Serbian-language ones. To my knowledge, Serbian-language programs are being expanded.

[Kekovic] Serbian-language programming is not being expanded; certain programs have been discontinued and the Through Vajdasag is being revived.

[Kabok] Which ones have been discontinued?

[Kekovic] ...

[Kekovic] A few programs have been started, but since cutbacks have been implemented, it is intolerable that Serbian-language programs that deal with events in Vajdasag are not included.

[Kabok] What is your opinion of the notice of the Hungarian editors in which they state that they are fighting with every possible legal means to save their programs?

[Kekovic] This is the first time that I have heard about this notice. We are autonomous editors and, as you can see, even this can happen here. If they are fighting through legal means, it is not my business, it is the courts' business.

[Kabok] How do you explain that, for instance, the patrons of the Slovak editors paid 150 percent of their program fees but the programs were still cut back by half?

[Kekovic] I am not going to explain it, and do not wish to offer any explanation for that. First of all, that is not how it is, and it is extremely incorrect on your part to present such arguments.

[Kabok] First, there was compulsory vacation, and now, a cutback in programming.... Are any other restrictive measures planned?

[Kekovic] Not for the time being.

* Hungarian Editor's Views

93B40670B Novi Sad MAGYAR SZO in Hungarian
21 Feb 93 p 7

[Interview with Otto Szakallas, chief of the Hungarian editing staff of Novi Sad Television's information programs, by Erika Kabok; place and date not given: "We Were Not Even Given an Explanation"]

[Text] *A minute of minority programming costs two-thirds less than a minute of Serbian programming; according to Director Milan Todorov, identity-preserving programs should not be discontinued; Otto Szakallas, acting editor in chief of Hungarian information programs, talks about the newest restrictions at Ujvidek Television.*

The drastic cutback in minority programs elicited extraordinary anger, not only among the minorities but also among part of the Serbs. What we are facing now is a blatant violation of minority rights. We requested an interview with Otto Szakallas, acting chief of the Hungarian editing staff of Ujvidek Television's information

programs, to clarify the background of the most recent decision by the editor in chief.

[Kabok] According to the announcement, the number and programming time of minority programs will be drastically cut back as of 1 March. What is your opinion of the official explanation that cites financial difficulties as a justification for this measure?

[Szakallas] Financial difficulties do exist; since the beginning of the embargo, TV's financial situation has also deteriorated because, outside of Vajdasag, TV subscriptions are paid in part by the population of Serbia proper. True, we know of no official survey, and we do not have any detailed and exact data on the economic situation, but we do know what these restrictions mean to us. They mean that we have been unable to acquire any new technology and that the programming itself is jeopardized by the deterioration of our technical base. We are forced to use and maintain equipment that is 10 years old or even older. We do not even have a minimum of spare parts. We have similar problems in the broadcasting section. What viewers notice is that the screen goes black. We would need \$1.5 million to update our technical base. This is how much would be needed for uninterrupted broadcasting of the present programs.

There is no doubt that financial reasons do exist, but there are still internal resources which could be used. For instance, on the one hand, this is a question of internal organization and, on the other, the programs could be continued through the more consistently wise use of resources, perhaps at the expense of some loss of picture and sound quality, but not at the expense of contents.

The other problem is that we have received absolutely no guidelines as to what should be done to economize our resources and technical capacity. We have prepared an analysis in connection with our own programs, assessed our capacity, and prepared a rational plan; we have also looked into possible external work that we could do to save on internal technical capacities. I think here, first of all, of the fact that in our area, too, there are some private TV-related businesses. These people are willing to rent out their equipment or offer services, either for money or in exchange for advertisement. And the other thing is that we would like to finally see last year's finances: How much did we spend and how were the expenditures divided internally? Data from the third quarter indicated that, in terms of the value of a minute of programming, minority editors spent two-thirds less than Serbian editors. We do not debate the fact that, because of frequent trips abroad, more money and energy is needed for the programs of the Serbian editors, but it is a fact that we have tried to stay within our limits. We have tried to find patrons for our major ventures, and our expenditures were recovered, indeed, we even showed profits from time to time.

They Did Not Even Listen To Our Arguments

The most important thing in connection with the present decision is: On what was the decision based, for the

financial analysis obviously has not been completed or it has not been forwarded to minor editorial offices. Thus, our feeling is that this was an ad hoc decision whose justification—if not as a whole, then at least in part—is questionable.

The next problem is: Why are they unwilling to listen to our arguments and why does the editor in chief defend himself by saying that this is the way it is, and we must accept it. We had expected an acceptable explanation, if nothing else.

We are clearly aware that in the present situation—after the disintegration of JRT [Yugoslav Radio and Television]—Serbian-language programs are only being made at Belgrade Television and Ujvidek Television, and that these two studios had to fill the programming that was earlier done jointly by the Belgrade, Titograd, Sarajevo, and Pristina studios. It is also clear that, since sending information to the world is extremely important now, the Serbian electronic media is expanding. But none of this means that minority programs must be cut back to such an extent, for it is precisely these minority programs that are also being watched in the neighboring countries and which exert a great influence on public opinion there. From this aspect, this decision is counterproductive because, instead of boosting information on local events, it will sever these connections.

We would also like to hear the opinion of the party in power on this decision and, of course, the comments of the national parties, all of which have institutional ways of influencing TV's editorial policies. To my knowledge, the board of directors of Serbian Radio and Television has not made a clear decision on discontinuing part of the minority programs, for the decision connected to frugality, which was published in the news brief of the board of directors, did not address this subject. It is another matter that the elections significantly changed the power balance between the parties here in Vajdasag. The party, which even until now openly proclaimed that minorities in Yugoslavia have been spoiled and that, in comparison with international standards, enjoy more rights than minorities in other countries—i.e., they are usurping rights they should not have—is now part of the power structure. This statement of theirs also applied to the minority press. It is possible that they made this decision to live up to their threat of several months ago. This is only a feeling on my part; I cannot, for the time being, support it with facts.

Incidentally, not only I but all of us would finally like to clarify exactly what rights the minorities living here have—including 380,000 Hungarians—according to the oft-mentioned international standards. For when some people claim that we have too many rights and others claim that we have too few, I believe that neither side has solid evidence for their arguments. And, in the majority press, the one who is louder is right—not the one who can present more acceptable arguments.

Comparisons Should Be Stopped

[Kabok] To your knowledge, will any of the Serbian-language programs be discontinued?

[Szakallas] The present measure package does not provide for taking any off the present programming; instead, the existing programs will be aired more frequently. Information Minister Lukic mentioned the other day that TV does not air its popular program *Tudositonkolt*, but that was discontinued not because of the economic embargo but much earlier, before the present financial situation. There were other reasons for discontinuing that program, mostly connected to the internal power struggle of that time. In my opinion, that program should not have been discontinued.

[Kabok] What is your opinion on the statement made by Ujvidek Radio and Television Director in Chief Milan Todorov that TV's most important task at present is to inform about events of war and that this may even eliminate minority-language programs?

[Szakallas] I do not wish to comment on that statement. We have informed Milan Todorov about what happened and he, too, cited financial reasons. Then we called his attention to the fact that even those of our programs will be discontinued which deal with the most characteristic and most important issues of minority education, culture, and identity. His reply was that these programs must be reinstituted. However, to date no practical measure has been taken in this regard. Incidentally, I think that the comparisons that the press promotes—namely, that Serbs living in the United States or Sweden have to buy TV time for their programs, for they do not constitute an authentic minority—should be stopped. Their situation cannot be compared to that of the minorities living here.

[Kabok] The Hungarian editors are united in their stand in support of keeping these programs. What have they done, and what do they intend to do, to achieve this?

[Szakallas] We have discussed a strategy of action which calls for trying to achieve internally what we want. We turn to those forums that have real authority to make a decision on this issue. The next step will be to solicit the opinion of Radio and TV's social supervisory bodies, and our success, or lack of success, will determine the subsequent steps. In the meantime, we will closely monitor public reaction. The least we expect from our viewers is their moral support for our common cause.

"That Is a Rash Statement"

[Kabok] Marko Kekovic, director and editor in chief of information programming, said during his interview with MAGYAR SZO that the discontinuation of most permanent programs will only be temporary but, at the same time, the minority programs within the educational, cultural, and documentary programs will be built

up. What is the situation at your editorial office? Would you be able, for instance, to continue the programs that are to be discontinued?

[Szakallas] I think that is a rash statement, to put it mildly, for the editors in question have neither an adequate cadre base nor the technical means to live up to these expectations. Their work pace is slacker than ours, which means that they need much more time, money, and technical capacity than we do to make a 30-minute program. In those terms, 1:3 would be a realistic ratio. This includes the making of certain programs where more things are needed than at our office. And if they still choose this alternative, then, I believe, the arguments for less waste and a sensible use of the technical capacities would go down the drain but, at the same time, another question would arise; namely, whom the TV leadership trusts and whom they do not. Apparently, they do not trust us.

[Kabok] The reason given by the editor in chief for reducing the programming times of the Napjaink, the Barazda, and the Hallo, TV!, was that, because of their frequency, these programs were difficult to produce. They simply did not find enough interesting topics. What is your staff like? Are they able to produce the existing programs at the desired level of quality?

[Szakallas] I think that this is best proven by viewer feedback. With a few exceptions, we were able to present topics that elicited great interest. During preparations for a Napjaink program, we received 150 to 200 telephone calls, which is clear evidence that viewers watch these programs. The results of a thorough public survey conducted last October also prove that the programs in question are regularly watched by 84 percent of Hungarian viewers, and this is where it must be emphasized that our viewers include not only Hungarians but also numerous Serbs who have been demanding for years that the Napjaink be translated or captioned in Serbo-Croatian. This also applies to the Hallo, TV! and the Video Marketing.

[Kabok] What is the size of the staff that is now working on the existing programs?

[Szakallas] There are 40 of us at present, including four typists, two proofreaders, and a secretary. In terms of time, six months ago we still produced almost as many programs as the Serbian editors did who have a staff that is almost twice as large as ours. As far as production capacity is concerned, there was no comparable editorial office in the entire country. Actually, we did not think that there was too much work, and we tried to do our best. In certain cases, the end product could have been somewhat better quality-wise and esthetically, but I am convinced, nonetheless, that in terms of information content and priority, we did live up to the expectations of our viewers in Vajdasag. For this reason, we ask our readers and viewers for their support for—and accept their criticisms of—our continued efforts, the sole purpose of which is to keep and improve our programs.

* Eorsi on Court Decision, Freedom of Speech

93CH0398A Budapest MAGYAR NARANCs in Hungarian 4 Feb 93 p 4

[Interview with Matyas Eorsi, SZDSZ parliamentary representative, by Zsuzsa Dardai; date and place not given: "Found Guilty: Matyas Eorsi on Freedom of Speech"]

[Text] *In the second instance of the lawsuit "The Government vs. Matyas Eorsi," the Budapest Court found Matyas Eorsi, parliamentary representative for the Alliance of Free Democrats [SZDSZ], guilty. According to the reasons for the court's judgment, "Europe is not yet unified to such an extent that the freedom of speech should be evaluated in the same way."*

[Dardai] What is the real significance of all this?

[Eorsi] Joining Europe requires a lot of sacrifice and will cost a lot of money. But there are aspects of joining Europe that do not cost any money. A change of attitude is all that would be necessary to accept that the rules of parliamentary democracy apply to Hungary, as well. I think that there can be degrees in an economic transformation, but not in the implementation of freedoms. If the practice of the Hungarian courts were established in the current period according to which the merger with Europe is not complete, and for this reason the freedom of speech can only be applied in a limited way, this would mean that there is no freedom of speech in Hungary. I consider this very troublesome from the point of view of the future of Hungarian democracy.

[Dardai] Why was it so urgent to pronounce a guilty verdict?

[Eorsi] In a situation like this, the condemned person is liable to find fault with everything and say that the court is not independent. I wouldn't like to do this, because I emphatically believe that the system of democratic institutions is functioning well, and that the court is indeed independent. The court was faced with a dilemma: It understood the system of our arguments, that offending the authorities was not an accepted crime in a democracy. At the same time, as a matter of form, a law to this effect is still in force from the one-party state. There could have been a solution, because there was a precedent in the Holy Crown case. You remember that the lawyer designated the article on the basis of which the Holy Crown was sued unconstitutional; he petitioned the Constitutional Court, and the court suspended proceedings until a decision was made by the Constitutional Court. The court could have done so in this case, as well. Why it didn't, one can only guess; it does not behoove me to answer this question.

[Dardai] Why is this battle so important?

[Eorsi] The battle is not between me and Balazs Horvath. If the issue at stake were who lied, Balazs Horvath or I, then—independent of any proof—I would simply apologize to him. As publicly as he wants me to. However,

the real issue at stake is where the practice of the courts and legislation draw the line up to which one can criticize the government. If the decision that the Budapest Court now made were upheld, then this line would be very narrow. According to this decision, a crime is committed by any person who asserts a fact, or uses an expression, suitable to shatter confidence in the actions of an authority or an official. The essence of multi-party democracy is that many people who don't trust the way the government works express this, set up oppositional alternatives, and criticize the government's activity. Every political activity which is not expressly within the coalition, is likely by its very nature to shatter confidence in the operation of the authorities. When the leader of a party of the opposition says that "the government has no program," "the government doesn't implement its program," "this is not the way to solve this social tension," these statements are all suited to shatter confidence in the government's policy. This is the very purpose of an oppositional party: To mobilize public opinion for its own party and to shatter confidence in the government's policy. If a law takes effect according to which the confidence in the operation of the authorities must not be shattered—or to put it simpler, the government must not be criticized—then there is no democracy in Hungary. This is the issue at stake in this lawsuit. Until now, this article has not been used; it is being used for the first time in my case. The election is drawing near, and the government feels that it is losing support. We cannot know how often this article will be used in the future. I think this is an issue worth fighting for for a representative of the opposition.

[Dardai] According to the defense, one can criticize the government, but not by lies and statements that are not true.

[Eorsi] The question is not what is true and what is not true, but rather who decides if something is true or not true. In a given case, for instance, if the SZDSZ faction says the government doesn't have a program, will the court factually evaluate whether the government has a program or not? When, for instance, Viktor Orban [Federation of Young Democrats] says during the blockade by taxi drivers that the government lied, will the court examine whether the government lied or didn't lie? Who will examine it? Where is the line between truth and lie? Of course, in everyday language this is simple, but when one must make a judgment whether something is true or a lie, sometimes it is doubtful whether well-founded decisions can be made. Because, let us not forget that the court only makes a decision in the second place; first, the government files a complaint. It is first the government who evaluates whether the criticism against it is true or is a lie, and whether it will sue the oppositional representative or journalist who made the statement.

I never said that Balazs Horvath wanted to open fire. This is an important circumstance. If I had said that, Balazs Horvath could have sued me for libel and slander, and he would have won. But I didn't say that he wanted

to open fire, rather that he was considering opening fire. And I can prove it. After all, it is important whether slander took place or not. This statement was made during a program of political discussion which dealt not with the question of what the government did during the blockade by taxi drivers, but rather whether Arpad Goncz violated the Constitution—as Jozsef Debreczeni alleged in the program. According to Jozsef Debreczeni, Arpad Goncz had no authority to caution the military not to interfere in the events. On the other hand, I said that there was such internal tension in Hungary at the time that one could not preclude that mobilizing the military would become necessary. Thus, Arpad Goncz acted correctly in the interest of preserving peace in society—which is his duty under the Constitution—when he asked the military not to intervene, and the government to negotiate with the representatives of the blockade. To describe this political situation, I used the expression that "Balazs Horvath was considering opening fire"; this may have been the wrong expression, because it could have been offensive to Balazs Horvath, but it was suitable to describe the situation. Because the political situation in Hungary was indeed such that the government could have, indeed, should have, been considering this step. The proofs I published so far supported this a hundredfold. Let me quote a few. Balazs Horvath announced publicly that since 1918, i.e., since the Austro-Hungarian monarchy collapsed, Hungarian society has not been shaken to an extent as during the blockade by taxi drivers. Just think about what this means: This includes 1919, it is more serious than the 133 days, more serious than 1947, than 1949, than 1956. Balazs Horvath said that in 1956 one could know exactly where the enemy was, and at whom one had to shoot. He used this word. He also said that among the taxi drivers there were many discharged III/III SZT officers [Interior Ministry undercover agents], and he added that experts established that the blockade by taxi drivers was an organized coup, and that he agreed with this assessment. By this one must understand that the issue at stake during the blockade by taxi drivers was not the price of gasoline, but seizing power. If Balazs Horvath were right and it was indeed the former SZT officers who tried to seize power through a coup, I would demand that he open fire. This proof does not prove that Balazs Horvath wanted to open fire, but rather that in the government's assessment the situation within the country was such that anything was imaginable; in my opinion, opening fire, as well. But this is not the important point, let me say this again. Let the court declare that Balazs Horvath did not want to open fire—I am not interested in this part. However, I am interested in the part that if I make a statement in a political discussion which the authorities or the government consider to be offensive, I can be sued or not. In my opinion, not.

[Dardai] Is Balazs Horvath or the government aware of the real issue at stake in the case, or did they get bogged down in personalities?

[Eorsi] I am reluctant to speculate what the government thinks of any one issue. Three years ago it was thinking

completely differently about freedom, democracy, and the multiparty system than now.

At any rate, I know that there is a motion by representatives before parliament in connection with the modification of the code of criminal law that suggests that this unconstitutional article be canceled. As far as I know, the government does not support the motion; on the contrary, it proposes that the original punishment be increased. This speaks for itself, and shows the extent to which the government is committed to democracy. I think someone who is in power must be able to bear much more criticism than someone who is not in power. And he should counter political arguments exclusively by political arguments. Criticism by criticism, and not by getting even with the critics.

[Dardai] Even in the second lawsuit you did not make use of the state and official secrets that would have proved you right. Why?

[Eorsi] I must again refer to a law. I don't have the right to automatically submit proofs. In such crimes of libel or slander, the rule is that the authorities order the production of evidence that the content of the slander is true. The authorities do so if public interest or anyone's lawful interest demands it. We asked the prosecutor's office in vain to order the production of evidence; they denied it with the justification that public interest is not involved. We took issue with this during the court proceedings in the first instance. At that time, production of evidence was not ordered because I was acquitted. At that time, this was logical.

This time, the Budapest Court found me guilty without ordering the production of evidence, which, I think, was a grave fault on its part. I would like to know whether the judge went to sleep with a good conscience.

[Dardai] Why didn't you publicize these proofs?

[Eorsi] The overwhelming majority of proofs in my possession is state secret, official secret; documents which were issued by the police and the organs subordinated to the ministry of interiors, and they were not meant to be known to the public. This in itself is acceptable. I have tapes in my possession on which an official of the Ministry of the Interior utters a statement the publicity of which would be very unpleasant to the government. In this lawsuit, the constitutional state is at stake; I cannot regard it as a lawsuit of prestige in the course of which I would want to prove, against Balazs Horvath, what horrible things the government was planning during the blockade of taxi drivers. I think I act properly if I don't publicize these state and official secrets. On the other hand, during court proceedings I would be prepared to submit them and would expect the court to take them into consideration.

[Dardai] How lonely are you in this battle?

[Eorsi] I am not lonely, because many people, both within and without the party, acquaintances and people

unknown to me, have empathy with me; they stop me and wish me success; I feel their sympathy. But this is not a solitary game, anyway. We are dealing with court proceedings, and if we respect the law, we cannot want to exert political pressure on the court. I would not be happy if the president of SZDSZ made this into a political issue. When I appear in court and hold my last plea, no one can help. So far, I think, I have held my own well. For the previously mentioned reasons I would like to continue on this very consistent course in the future.

[Dardai] Thus, you didn't regret that you started it?

[Eorsi] I would rather spend my time on more interesting things. As a parliamentary representative, I have many other tasks, and I could speak to countless laws. But—although I don't want to compare myself to him—Elemer Hankiss always said that these things are not irrelevant, because they are the way in which the rules of the game of democracy are shaped. If Elemer Hankiss took this upon himself, then I must do so, as well. The stake is really not less in this case than in that one. A politician must not shy away from battles of this kind; it is a lot better that this is happening to me now, and not to any Hungarian citizen, because they would be a lot more defenseless.

[Dardai] You announced that if you have to, you will take the matter to the international court in Strasbourg. Could they help?

[Eorsi] I have no doubt about that. A lawsuit just like the one between me and the government took place once already in Spain. A Basque representative offended the government: He asserted something that wasn't true according to the government. They didn't let him prove his case, and he was found guilty; he appealed to Strasbourg, and the Strasbourg court of human rights found the Spanish Government guilty. We did not hold this case back; we told the court about it. To this they answered with the impossible sentence that we are not Strasbourg. The matter can only end on a positive note.

* MSZMP Paper Advocates Keynesian Economics

93CH0397A Budapest SZABADSAG in Hungarian
22 Jan 93 p 7

[Article by Peter Farkas: "This Is What a Progressive Government's Economic Policy Would Be Like: Agenda '92"]

[Text] A ghost is knocking on the door of the capitalist world. It is not the ghost mentioned in the *Communist Manifesto*, whose red cloak still flashes here and there, albeit a little further away nowadays. Now we evoke the spirit of the influential bourgeois economist, John Maynard Keynes, whose name and mentality, after many years, has an increasing effect on progressive Western bourgeois thinkers, especially economists.

The principal decisionmakers of a world economy that has been struggling with a serious crisis for two years

already, let alone Eastern European decisionmakers, hesitate to acknowledge that the present serious contradictions of national economies and world economy cannot be treated even symptomatically by the illusion of a completely free market, the so-called orthodox monetary policy. Nevertheless, Keynes' doctrines on the necessity of the state's considerable involvement in economic processes and on the stimulation of market demand through the budget and a high level of employment in practice were first applied precisely in order to overcome the great 1929-33 crisis, and under the influence of the crisis-free and extremely fast-paced economic development in the Soviet Union. This occurred first in the United States, in the course of the economic policy introduced by President Roosevelt, the New Deal.

A similar but socially even more acute crisis elicited the tragically peculiar answer of the fascist ideal of a strong state, strong even in its economic role, for instance in Germany. Thus, in a given situation, the ideal of a government which keeps a tight rein on economic processes can (is obliged to) be forced into the service of extreme-right ideology!

Since World War II, the economic role of the state was expanded in many respects in the developed capitalist countries, in part admittedly under the influence of the practice of socialist countries; state monopoly intervention strengthened, and the so-called welfare state was created. Today, world economy is partially being regulated on an international scale, as well. A small group of multinational companies, many times larger than the Hungarian economy, dominates a branch of the economy.

Under such circumstances, it is a particularly hair-raising attempt to try to implement the idea of a market (largely) freed from restrictions and regulations in the countries of Eastern Europe. (The main trend is this, even if we know that, for instance, in the activities of the Antall government, right-wing centrist ambitions provide patches of color among liberal ones.) Why is it hair-raising? Plentiful supporting material can be found about this in a document that reflects the changing views of more realistically thinking economists elicited by the changing situation. The title of the study prepared in international cooperation, organized by the Austrian Academy of Sciences, with the participation of more than a dozen U.S., Western, and Eastern European, as well as Indian research institutes and university departments, is "Agenda '92 To Rebuild Central and Eastern Europe."

The authors of the study naturally believe in market conditions, in capitalism, but they dare face the facts and dare say that the economic policies suggested by the International Monetary Fund failed. They state: "One cannot expect spontaneity to put an end to a game which had a negative result or ended in zero." They summarize their arguments in six points, together with the reasons for the lack of success, and the experiences provided by the rebuilding of Western Europe after World War II.

We print verbatim this part of the summary of Agenda '92. The key sentence of the excerpt published here is perhaps the one that states that in Western Europe, during the time of consolidation following the war, "monetary and tax reforms, as well as the policy of stabilization, were unequivocally regarded as a means to reconstruct and expand the system of production; they did not allow the realization of abstract monetary goals to destroy the means of production."

The word "agenda" means a list of tasks to be carried out, and the document containing them. The tasks are summarized in five points. We will briefly review the suggestions that we consider especially worthy of attention—those that would enable, even in case of capitalist development, a much more rigorous enforcement of national interests, and a partial relief of the economic crisis and social injustice. (The following section of points consists of basically verbatim quotes that are, however, not continuous in the original text.)

1. Stabilization of production and jobs. One must stop the decline of national production. The privatization of state property must be limited to cases where production can be stabilized. Direct causes of human suffering, such as unemployment, the plunge of the standard of living, and the process of asocialization, must be treated as primary problems.

2. Creation of conditions for increased production. (Within this point, they suggest a slightly expansive financial and tax policy that would have a stimulating effect on the economy, as well as other steps that build and stimulate markets, and an income policy coordinated with the unions.) There is no need for the immediate and complete privatization of the means of production, the immediate liberation of prices and incomes, or the immediate creation of stock exchanges. In none of the existing Western economies do these characteristics of pure market economy appear together at the same time. They should only be introduced if they have a stimulating effect on production and can diminish the lack of balance.

3. Industrial and regional policy. In the course of the history of capitalist development, the "latecomers" did not leave catching up in competitiveness to spontaneous market forces. They achieved the replacement of imports and the production of exportable products by planning industrial and regional policy. If we want to prevent a complete collapse of the economy, the reorganization must take place under selective protection. The reintroduction of planning is necessary because, for instance, the completion of the Marshall Plan or the successful operation of any capitalist firm depends on strategic planning within the market system.

4. International relations. The economic units of the countries of Central and Eastern Europe are currently not suited to be exposed to unlimited competition in the world market. The termination of protectionary measures can only be a long-term goal.

5. The role of the state. An active state is needed which uses selective protectionism. It is the state's task to coordinate individual and common interests. A policy that motivates social cooperation must be preferred over a policy that induces conflict.

Of course, Agenda '92 proposes all this in order to ensure the success of a social and economic transformation in the direction of capitalism. It also contains many other pieces of advice to build markets. (In this respect, the above summary is uneven, but it does not considerably distort the idea of the original study.) It is obvious that even if the enumerated principles were carried out, a great many contradictions would arise, because even in that case one would still be confronted with international competition, and foreign capital would still ruthlessly realize its profit-making interests; the unjust tax burden would still take resources away from investment, and the budget would still have difficulties (partially as a result of the earlier, fairly developed social system), and, last but not least, the process of the peculiar capital accumulation, which necessarily involves the differentiation of income, the impoverishment of a part of the population, and a certain amount of unemployment, would be unavoidable. Still, the proposals are more than worthy of attention, because if they were implemented, the economic setback would be (would have been) decreased, the devastating social consequences of the transformation could be lessened, and the peripheralization of Eastern Europe within world economy would not be quite so obvious.

There is a certain amount of anachronism in the fact that this document is printed in the paper of the Communist Party, among all others, when it is being circulated in manuscript in closer professional circles. As far as we know, so far no professional medium announced its existence, although it originated a year ago. We publish it because, contrary to any accusations, even in the current situation we are not of the opinion that "the worse, the better."

It is sad that the intensifying voice of admonition coming from a part of the international professional circles does not sound an echo in domestic economic circles. There will be even more serious consequences of the fact that the currently stronger bourgeois parties—including the ones with a social democratic agenda—pursue basically liberal economic principles; there is no party among them that would take on a similar progressive, more realistic, and rational bourgeois economic program.

Keynes' spirit is standing at the door, waiting to be admitted. With international coordination and with his help, the cart of world economy could perhaps still be pulled out of the pothole. In the meantime, we experience that the opposition between leading powers is growing stronger in many respects, and they find it more difficult to understand each other. The spirit is pacing up and down in the doorway of Eastern Europe, but there is no one to open the door for him. In the meantime,

tension is on the rise all around the world; peoples are restless; unemployment is increasing sharply in the most developed countries, as well; and the wage war of workers is intensifying. Parallel to, and as a consequence of all this, devastating trends are intensifying: crime, nationalism, and racism are on the increase; the powder kegs of wars are exploding, and the large powers are less and less able to and want to be neutral in them.

No one should say that no one warned them in time!

[Box, p 7]

AGENDA '92 To Rebuild Central and Eastern Europe

1. Immediate privatization is detrimental to the necessary increase of production. Before the actual privatization, managers are not motivated by anything. It can happen that privatization itself will not stimulate production, because it is possible that the new owners will rather speculate by stockpiling resources (e.g., by amassing land). Under appropriate circumstances, this will deepen the crisis of the system of production.

2. Under the circumstances of the current massive imbalance, liberating prices does not stimulate production and the distribution of goods and services. The lack of a creditable currency will only make financial speculation more attractive and does not promote the creation of new property.

3. Programs of stabilization ignore the asymmetry between the restructuring of supply and the decrease of surplus demand. They also ignore the fact that policies of stabilization are generally prone to restrict the satisfaction of demand. Thus, the imbalance is not going to decrease, but will simply reappear on various levels. Historical experience of stabilization programs of the IMF kind lead one to believe that these programs do not guarantee that a successful economic stabilization will lead to renewed, long-lasting economic growth.

4. The introduction of convertible currencies in the old and new states of the former Comecon would only increase pressure on production, because of the increase in the price of necessary imports. Moreover, the majority of traditional markets will most probably disappear as soon as they have to pay hard currency for exports.

5. The role of the state in economic and social matters is basically restricted to legislation concerning privatization, financial reform, and price-deregulation, on the one hand, and to the decrease of public expenses, on the other.

6. In fact, the historical experiences of the "economic wonders" during the rebuilding of Western Europe after the war genuinely disallow one to believe that we can spontaneously shorten the way leading to capitalism. During the time of rebuilding,

1. exchange rates were managed, the movement of capital was strictly regulated, and it took approximately 10 years to introduce convertibility in commercial transactions;

2. the control and subsidy of crucial products was maintained for a similarly long time; in some cases (e.g., agriculture), control and subsidies are still applied;

3. they never gave exaggerated priority to privatization, and many successful companies did not enjoy any advantages for being in private hands; still, visibly, this fact did not harm their production;

4. international payments were handled on the basis of a well-designed plan by the European Payment Union, the purpose of which was to restore multilateral trade among the countries of the European Economic Cooperation Organization by solving the situation resulting from the lack of dollars;

5. they introduced rational economic and budget planning to which the Marshall plan also contributed, and the primary purpose of which was to ensure the reconstruction of necessary infrastructure and key industries in an order necessary for balanced rebuilding;

6. the financial and technological support in the framework of the Marshall plan was absolutely necessary

to carry out points 4. and 5., and U.S. experts supported and oversaw these activities;

7. financial and tax reforms, as well as the policy of stabilization, were unequivocally regarded as a means to reconstruct and expand the system of production; they did not allow the realization of abstract monetary goals to destroy the means of production;

8. an active state, which through the creation of institutions, legal structures, and tax and budget utilization programs was able to direct and stimulate the market, had a key role in creating an economic environment that stimulated enterprises.

The successful modernization and expansion of Japanese economy, as well as that of the so-called "little tigers," Hong Kong, Singapore, and South Korea, can provide an important historical lesson. Their success was based on the undogmatic realization that markets must be directed, because this is how one can promote enterprising initiatives which the government regards as important. The "economic miracle" could not have occurred in any of the above-mentioned countries if they, too, had followed the shortcut which was charted for the Eastern European countries that were formerly governed by plan and command.

Military Needs To Adapt to Changing Situation

93EP00185A Warsaw WOJSKO I WYCHOWANIE in Polish No 1, Jan 93 pp 81-83

[Commentary by Professor Andrzej Madejski and Lt. Col. Jerzy Zielinski: Polish Military Forces Facing New Challenges"]

[Text] It is no secret that a great reorganization of the Polish Army is currently taking place. Significant circles in society are interested in this process. Some believe that the changes are necessary, especially because the premises of perceived threats are changing or have already changed. There are also voices that demand change since the Polish Army is viewed as an inheritance from the past era. Those last demands are not supported by the general society which, according to surveys of social views, declares its great trust in the military, placing the army first among state and social institutions. So what is the real situation? Are the Polish armed forces really facing new challenges?

[Madejski] I think so. I can even say that the Polish Army is facing really great challenges, and if we do not realize this we are blind and cannot sense the signs of the time.

[Zielinski] I have a slightly calmer view of the problem of the new challenges which the Polish Army supposedly faces right now. Of course, I am not saying that my point of view is universal or that it agrees with the vision of specialists who have the whole picture dictated by future military conflicts. Nonetheless, I am a moderate supporter of forced reform in the Polish Army and find myself in the reformatory mainstream. From military history one knows that simple reformist urges can open a Pandora's box; simply by making the Army into a particular shape or form one can create a future war. Now we have different times, different needs. Our military forces are not badly equipped and trained. At least, they are not so far behind others that a reformist movement must be initiated at all costs on a gigantic scale. I consider this to be pragmatism. The essence of far-sighted actions probably lies elsewhere.

[Madejski] Where, then? It is a fact that the tendency to create so-called group safety is increasing. World society has quite significant successes in this area, but there are also serious obstacles. Yugoslavia and other regions where international efforts have not brought any results are examples where such efforts come to nothing. If one adds the evaluations and predictions of experts who, despite expectations of stabilization, do not predict a calm period of peace for the world, then we clearly cannot leave matters unattended. One must consciously influence the expected course of events, because one might suddenly awaken too late. This is the situation now in this part of Europe.

[Zielinski] First of all, I believe the situation is not so dramatic. The second thing is that nobody is talking about sleeping through the problem with self-assurance.

I only oppose forced reforms; underestimating the Polish Army in its current form, structure and size; and creating catastrophic visions of the future. This army does have its faults and shortcomings, which can be eliminated through a calm process of natural, slow changes leading to a gradual achievement of greater perfection.

[Madejski] Yes, but I think that this only sounds good. If there is going to be only a passive evolution without some steering toward a consciously chosen goal, nothing good will come of it. I am definitely for programmed reforms in our military forces, according to needs which will arise on the basis of situation analysis; predictions of different variants of changes in the development of the political-military situation can be based on this. Otherwise we will spend a lot of money and create something that will be either completely useless or of very little importance. The Yugoslav example shows the uselessness of an army equipped with heavy materiel for resolving small and medium intensity conflicts.

[Zielinski] The Yugoslav army is not so entirely useless; it has already achieved a lot. Maybe it takes too much time; but there are different conditions; simple analogies don't work. I don't think that if the Yugoslav army were different, the conflict would be resolved by now. The seeds of this war are not in a lack of modern forces. The foundation of this conflict is different. The Army is only one of the lesser important forces trying to resolve the situation according to its own, or somebody else's, vision. Military forces are dangerous because of their equipment itself; modernization of the Armed Forces is of secondary importance if a great war is not considered probable. It is more important to have effective concepts of how to use the Army and to have the realization of those concepts well drilled. Right now there aren't conditions which would support a rational transformation of the Polish military forces. Giving this problem first-rank status only causes anxiety and unnecessary haste, which is a bad advisor. The Army will and must gradually change, but let us not treat this as an emergency, because the results can be opposite to the planned outcomes.

[Madejski] I think I am being misunderstood when I stand by the statement that our military forces face new challenges. I note, however, that current conditions, together with needs and possibilities, are changing very rapidly. Also, the dependence of the military forces on science, technology, economy, education level, and the aspirations and goals of society, has increased greatly and is still growing. The costs of modern equipment have increased frightfully. As military actions decrease in efficiency, the efficiency of political non-military forms of coercion is increasing. The forms of armed conflict are also becoming more diverse. And nothing indicates right now that in the future the violent speed of these changes will diminish. It is also worth remembering that despite the speed of these changes, equipment introduced according to development plans must stay in the military for many years at least, and in our situation, much longer.

In this situation, plans to improve the national defense system, including its military forces, cannot be based only on the evaluation of needs and possibilities currently existing. Such a solution would surely lead to absurd waste of finances and efforts, because a system modernized in this way would turn out, after accomplishment of the plans, inadequate to the new conditions—a system of the past.

[Zielinski] Do you think that we can get ahead of these changes pressing on our military forces only through chaotic action—since only such action can answer what you see to be pressure?

[Madejski] Why chaotic? I do not wish to change the discussion into an argument over whether fast means bad. But I would like to emphasize the fact that even the biggest and richest countries today cannot afford extravagance. Because of contemporary and future attack capabilities, serious preparation—that is, assuring a full efficiency of national defense—for the worst scenario is impossible. It would call for such large expenses and sacrifices that it would not be sensible. I am not saying that an attempt to accomplish this led to the collapse of the Soviet Union, but it certainly was an influential factor in this process. None of the highly industrialized, richest countries in the world use this principle. The more so it is out of the question for Poland.

The second important thing is that matching the size of military potential with the size of the potential threat is not all there is to it. Today it is at least equally important to adapt the armed forces to the characteristics of eventual military conflicts. And these can be, especially in our current and expected geopolitical situation, quite varied. This must be reflected in an adequate assortment of arms and other military equipment, appropriate proportions between different types of military forces and services, direction in development of the military, and direction in the education of staff and the training of soldiers.

Discussing the problem of improving the national armed forces, one cannot give up different predictions. Such predictions have been developed for years; they are usually not well received by officials. In the PRL [Polish People's Republic] period it happened that such proposals were hidden away in safes by lower decision-making people and never given to the right persons nor made available to a wider audience. Often, because they were too long for example, such documents were never read by the officials at all.

And today the situation has not changed much. Even when the correctness of a proposal is acknowledged, it is not taken under consideration in further work on the improvement of the armed forces. One indication that this is really happening is the stubborn development of only one model of the future armed forces! How can one model of the future armed forces result from many possible, radically different but equally probable, variants of future military conflicts? Such a model must

either be poorly adapted to the requirements of the vast majority of probable conflicts or a model which is financially extravagant in an intolerable way! Continuation of such practices which reflect conditions when only one eventual enemy was seen (NATO) and only one possible model of war (the world war) was predicted, is today unacceptable.

[Zielinski] Such arguments are, in my opinion, only the basis of a wider theory which barely fits our new situation, and which does not reflect socio-economic realities. It orders us to think unilaterally by threatening us with would-be consequences resultant from the ageing of the armed forces.

[Madejski] I agree that one also has to take into consideration the fact that, at least in our situation, the ability to realize our goals will be severely limited for a long time yet, above all because of financial problems, but also due to scientific, technological and production problems. Therefore, there will not be enough money for anything. Funds must be used very economically. In this situation, we cannot afford the risk of spending money on something that can turn out to be a not very useful practice in the future.

In the Polish Army's present situation it is fortunate that, even if the "great war" would threaten Poland at all, this would happen not now but at the earliest in eight, ten, maybe fifteen years. So we most likely still have some time. It is worthwhile to use this advantage. It is also worth remembering that one cannot always be equally strong. The Polish Army was among the strongest in Central Europe in the twenties; by the thirties it did not match Hitler's army. Without a doubt, it is an art to be strong when necessary. This is connected, of course, with a certain risk. But are efficient policies and strategies possible without risk?

[Zielinski] How, then, would you describe this rational planning?

[Madejski] In terms of time, plans should cover one to two years. And as for content, we should focus only on enterprises which would be equally or almost equally important for every possible course of events. But most probably even these needs cannot be fulfilled.

Absolutely nothing which would be useful in only one or some of the possibilities should be included in the plan. In practice, this can turn out to be an impermissible waste of money.

With time, as the plan is completed, the situation will become clear. New events will give us the opportunity to improve and develop evaluations and proposals. Some development possibilities will turn out to be more probable, some less so. Some will be eliminated entirely. Others might only arise in the future; these can be considered in further plans.

Similarly, some of the enterprises included in the completed plan will have to be eliminated or transferred to

the next stage or another plan for various reasons, mostly because of finances; other enterprises which were not planned at the beginning must be included in the plan and completed, for example to take advantage of a special opportunity. That's how life is. One must always remember one principle: Never spend assets on something which might turn out to be useless for even one of the predictions.

In this way, while completing a plan for the first stage, a short-term plan for the next stage can be formed at the same time.

The idea of short-term development plans—for example one year long instead of the five-year plans used formerly—is universally considered the right one in the Polish Army today. Unfortunately, this is not combined with making predictions which reach far enough into the future. Meanwhile, such predictions, and the future-oriented models of national defense based on them, are necessary to make a reasonable selection of a plan's elements. Without these models, how can one know which enterprises should be included in the plan and which ones can wait? Without predictions, without building models for the future, one is doomed to shortsightedness, to the danger of being wise too late.

Despite efforts which have been made for years, we do not have a sufficiently modern, properly functioning prediction system in Poland; we have not developed a vision of eventual future conflicts and of defense systems appropriate to such conflicts. It is not so much that we lack the habits of systematic and thorough evaluation and prediction of the development of threats and its actualization, but that rather we do not have a system to transform these evaluations and predictions into concrete decisions and plans. In our plans, we are still more likely to find elements which are not dictated by necessity than those which result from the most fundamental necessity in this regard—the adaptation of the defense system to changing conditions. Such a system, and methods of functioning appropriate to it, must be prepared and implemented immediately. A return to a situation in which there is only one threat to peace and only one possibility of eventual war is no longer possible, and careless management of the assets which the state gives to its defense system is not acceptable.

New Polish PT-91 HARD Tank Described

93EP0186B Warsaw POLSKA ZBROJNA in Polish
3 Feb 93 p 21

[Article by Marek Dreszer: "A New Tank"]

[Text] At the Bumar-Labeda factory test grounds, the new PT-91 HARD tank was put on display. Work on its design lasted three years. It was the first time the factory has shown anything to journalists. There was also a press conference at which the management announced the restructuring of Bumar-Labeda.

The tank is based on the T-72 model. It is equipped with a thermal vision system for controlling fire and has an infrared camera that distinguishes objects on the basis of temperature. Thanks to this camera, it is possible to see people or animals at night. It is very sensitive. An employee of Bumar touched his hand to his jacket; the trace of the touch was still visible on the thermal vision monitor a moment later.

The tank has an 850 horsepower engine produced by the Aviation Equipment Factory in Wola in Warsaw. The tank is covered with plates filled with an explosive material to destroy projectiles striking the tank. In the field, the tank reaches speeds of 70 km/hr.

It has two systems for producing smoke. If a special sensor discovers that it has been sighted with a laser, it automatically fires a projectile producing a smoke screen. A special system keeps the barrel in a horizontal position while moving.

The tank weighs 42 tons and is equipped with a 125 mm gun (the largest among tanks in the world). It has a range of 650 km and carries 40 to 44 projectiles.

During the demonstration, the journalists saw how the tank conquers obstacles in the field. The journalist for GAZETA sat in the gunners seat. It is more comfortable than in a Fiat 126p; you can easily stretch out your legs.

Eugeniusz Morawski, the factory director, estimates that the new tank is twice as good as the T-72. Twenty improvements were made in its design. Bumar has offered to sell the tank to the Polish Army. In the director's opinion, the advantage of this tank is that it is much cheaper than western ones.

The director said that the central goal of organizing the meeting with the journalists was to present the restructuring program for the factory; the tank was demonstrated only coincidentally.

"Only a few years ago, arms production made up 90 percent of the equipment produced at the factory. In 1992, it was not quite 50 percent," Eugeniusz Morawski, the factory director, said during the press conference.

Two days ago, the factory was transformed into a single-person partnership of the state treasury by a decision of the prime minister. Management wants Bumar to become a holding company in the future. A few months ago the factory asked for permission to form a free trade zone at Bumar.

The factory sent Minister Niewiarowski a restructuring program (the document weighed several kilograms), which, the director said, had been in preparation for two years. In his opinion, 356 billion zlotys (Z) is needed for the restructuring, of which the factory can provide Z120 billion. "We expect loans, but not at 50 percent," the director said.

The director did not answer the majority of the journalists' questions. He did not want to say, among other

things, how much debt the factory has or what its financial performance has been. "I do not want the press to cause us harm," the director explained. "Our competitors also read the papers."

On speculations on a contract with Pakistan, the director's press spokesman said that such speculations could harm the production tanks in Poland. Until the talks end, no information will be released.

*** Problems With Price Settlements for Russian Gas**

93EP0189C Warsaw *RZECZPOSPOLITA* in Polish (Economy and Market Supplement) 8 Feb 93 p 1

[Article by Anna Wielopolska: "Price Settlements for Russian Gas: Barter-Based Trade"]

[Text] Two-thirds of the natural gas consumed in Poland derives from Russia. This dependence on a single supplier is causing considerable problems to Poland. Officials discuss shipments of that resource in their two aspects: What they are like and what they should be like.

There is as yet no basic agreement for gas shipments in 1993. It is still being negotiated under difficult circumstances, with the Russians posing terms as regards price settlements, which is a particularly complicated issue, because past debts have been compounded by barter deals, which are in many cases impossible to price.

Normally natural gas shipments from Russia are based on several different agreements, each of which specifies a different way of paying for the gas.

Last year we purchased altogether 6.6 billion cubic meters of natural gas from Russia, mostly on the basis of Orenburg and Yamburg agreements specifying shipments of 2.8 and 1.65 billion cubic meters respectively. The settlement of accounts for these shipments has been for two years the subject of negotiations between the ministries of finance of both countries.

In the opinion of the Polish side, we had paid for that gas by laying at one time a pipeline in Yamburg and Orenburg for the Russians. The Russians in principle are in accord with this position but now and then they renew their demands for payment in convertible currencies or, as recently, for postponing shipments from Yamburg for several years. That is because Russia needs money in return for its natural riches. Fortunately, it also needs certain commodities, such as food, medicines, and equipment.

For this reason we barter our commodities and labor for some of the shipments. We are bartering food for deliveries of 1.5 billion cubic meters of the gas last year and Kolmex-provided equipment for 420 million cubic meters. In addition, Energopol exchanged its labor for 250 million cubic meters. In theory the implementation of the agreements should cause no problems....

In 1991 we bartered medicines for some of the gas shipments. The gas was supplied to our importers by the Russian Gazeksport, and in return medicines were provided to Russia by Polfa plants. Under the agreement, Polfa [Polish Pharmaceuticals] was to be paid by the Polish importers of the gas. But to do so the importers have to have a legal basis. They want therefore the Russian side to provide them with documentation for the medicines. But (logically enough) the medicines ended up at the Russian Ministry of Health, which has nothing in common with Gazeksport. On its part, Gazeksport refuses to issue documentation for a commodity with which it likewise has nothing in common.

Polfa is not getting paid for its medicines, also because the Polish side too has been lagging behind in payments for gas shipments. For example, the gas is consumed by nitrogenous fertilizer plants which, being money-losing enterprises, put off paying their suppliers. The Polish Oil and Gas Corporation is therefore, in its turn, behind in its payments to Gazeksport. On the one hand, it has no money, and on the other, the negotiations between the governments continue. The clearing of accounts is additionally complicated by the existence of two separate and so far incompatible banking systems as well as by the system for fixing gas prices.

The basis for determining the separately binding price of natural gas in any agreement is the price of crude petroleum. Since the gas price is determined at quarterly intervals, quarterly agreements would be most advantageous to us. But the Russian side rejects the idea and the agreements are for annual periods. Besides, that is the time horizon most often used by the Russians, since the Polish side has not been able either to negotiate longterm agreements incorporating guarantees of gas delivery over a period of several years.

In sum, of the 9.5 billion cubic meters of natural gas used last year by Polish industry and consumers (households), 6.65 billion derived from Russia. This year we would like to receive from that country 6.5-6.7 billion cubic meters of the gas as measured by the Russian standard, that is, at a temperature of 20 degrees centigrade. Were the gas to be measured by the Polish standard, that is, at a temperature of zero centigrade, it would turn out to be 7 percent smaller in volume. This is certainly not going to reduce our gas problems. It does not look either like at least some of these problems will be solved this year.

*** Polish Euroregion Involvement Reviewed**

93EP0189D Warsaw *RZECZPOSPOLITA* in Polish (Economy and Market Supplement) 10 Feb 93 p 1

[Article by Anna Wielopolska: "Cross-Border Mutual Economic Cooperation"]

[Text] Along all the land boundaries of Poland economic cooperation with adjacent countries is flourishing. The best situation, according to Minister Marcin Rybicki of the Central Planning Office, is on the Polish-German border. But EC assistance will have to be courted if

cooperation is to be still further intensified. A request for a subvention can be lodged by an institution having the status of a Euroregion.

One such Euroregion, "Nysa," is planned for the border with Saxony. The Germans are pressing for a most speedy institutional solution. This matter was the subject of talks with the Prime Minister of the Land of Saxony Kurt Biedenkopf during his visit to Poland.

The EC provides special financial subsidies for Euroregions. Until now only regions located within the European Community have been eligible for these subsidies. The Interrect Package has broken this logjam: It is a program under which regions located in the borderlands of the EC can also benefit from EC funds. In the opinion of the Germans this is important in the sense that it can overcome the Poles' mistrust of the economic intentions of our neighbors. Until now our local governments have been apprehensive that the Euroregions would be utilized by the German side to exploit EC funds without Poland's participation. The idea of formalizing Polish-German cooperation was hurt by the Stolpe plan, which drew a negative response from the Polish side and was suspected of wanting to discriminate against Poland.

The funds proposed by the European Community for the Euroregions have so far been limited. For the entire eastern boundary of Germany adjoining Poland the Interrect Package provides 15 million ECU [European Currency Unit]. Still, that subsidy is in the nature of an incentive: If the money is used effectively, the subsidy might be increased. The competition is sharp: Some 50 Euroregions are applying for the money. In addition to Saxony, other eastern German states—Mecklenburg and partially Brandenburg—are interested in forming Euroregions in our part of Europe. The idea of forming a Pomeranian Euroregion under the auspices of Szczecin, Brandenburg, Swedish, and Bornholm Island authorities is causing a considerable stir.

The principal purpose of forming Euroregions is to spur economic growth in cross-border areas. In the opinion of the Germans, it is high time to legitimize unreported cross-border trade. Cooperation will serve to exploit the natural resources of both sides, such as the potential for tourism in Poland. For the time being, the most important problem in the Euroregion is to regulate cross-border traffic. Within not more than two or three years traffic in Zgorzelec should be eased by building a two-lane bypass which will be part of a superhighway linking Germany to Krakow and Lwow. Endowing economic cooperation with a legal status will also serve to regulate the flow of services and finance. On our side the competences of local Polish authorities still remain unclear.

In the opinion of Minister Rybicki, economic cooperation along both the eastern and the western boundaries of Poland is thriving. The boundary segment along the Kaliningrad Enclave is the most difficult. Poland does not want to invest in, among other things, new border crossings into a territory where a 400,000-troop Russian

contingent is still stationed. Cooperation along the country's southern boundary also is not effective, and reduces to declarations that new border crossings are going to be opened. Here the decisive factor is the break-up of Czecho-Slovakia, which has caused talks on establishing zones of economic cooperation to be stalled. There are many institutions promoting economic activity in border areas. In Suwalki a conference of the nation's Agencies for Regional Development (which number 20) will soon be held. Under the European Community's PHARE [Economic Reconstruction Aid for Poland and Hungary] Program for Assistance to Poland the so-called Struder Program has been approved: It provides for disbursing 60 million ECU to four regions with particularly endangered economic infrastructure: Olsztyn, Suwalki, Lodz, and part of Rzeszow Voivodship, and also Walbrzych Voivodship. According to Minister Rybicki, the money matters most, but mobilizing the regions is of no less importance: In order to receive EC aid, they had to provide the EC missions with programs for overcoming the recession.

This coming October Poland will host a meeting of the Baltic countries on the issue of the economic development of the coastlines of the Baltic Sea. As regards cooperation with Germany, the Society for Promoting the Economy, which will monitor, among other things, the idea of forming Euroregions, will now soon be established.

Polish-Dutch Military Cooperation Encouraged

93EP0187B Warsaw TYGODNIK SOLIDARNOSC in Polish No 8, 19 Feb 93 pp 1, 7

[Interview with General Van Breemen, Dutch Deputy Chief of Staff, by Katarzyna Szymanska-Borginon in The Hague; date not given: "We Are Still Very Cautious"]

[Excerpts] Lieutenant General Van Breemen, Dutch deputy chief of staff, is the second in command of the general staff. In addition, he is the chief military adviser to Minister of Defense Ter Beek. Furthermore, he is one of the main authors of "Prioriteitennot"—the new modernization plan for the Dutch armed forces, which envisions their significant reduction.

[passage omitted] [Szymanska] One of the priorities of Polish foreign policy is Poland's future membership in NATO. How do you see this issue, General, from the Dutch point of view?

[Van Breemen] Our government's position is similar to that of NATO itself. The Netherlands considers Poland and other countries of the Visegrad Group to be crucial from the point of view of [European] security. They are very important to us. However, what I would like to stress, and what the Dutch Minister of Defense Ter Beek often points out, is that one has to approach this issue very pragmatically. As of now, we have the North Atlantic Cooperation Council, the West European Union [WEU] (in the context of the Maastricht treaty), and CSCE. One has to wait and see how they evolve. In

the meanwhile, it would be advisable to start doing something instead of wasting our time on discussing various organizations. For example, in the bilateral arena, the plans which Poland and the Netherlands had adopted for 1993 envision a lot, including one-year internships for Polish commissioned officers [in the Netherlands], joint exercises in the field of mobilization, and many other projects. I am personally for this practical approach. Only in this way can one accomplish anything.

[Szymanska] However, what exactly are the reasons which prevent Poland from becoming a NATO member right now?

[Van Breemen] The approach which we have chosen is a correct one. It follows the new NATO strategy. Security is not limited only to military matters, but includes a political dialogue as well. The situation in Poland and in the remaining countries of the Visegrad Group is important for our security too. Practical cooperation should be our goal. The very fact that we talk to each other opens entirely new dimensions.... However, I have noticed that we differ on occasions....

[Szymanska] Poland's membership in WEU depends on her membership in the EC. Do you think, Mr. General, that it is fair to make a given state's security arrangements dependent on its economic progress? (At this point, the [Dutch] Ministry of Defense press spokesman interrupts the interview, claiming that it addresses the issues of foreign policy too much. According to him, the Ministry of Foreign Affairs might not be pleased with the general's answering these types of questions. So, I ask another question).

According to the new Polish military doctrine, drafted by the National Security Bureau and adopted recently, Poland has to be prepared to defend herself from all directions. How would you comment on the fact that this doctrine perceives one of the NATO members (Germany) in the same terms as Russia and other states? All that at the same time when Poland is making an effort to join NATO?

[Van Breemen] You should follow the same model which we used when we were working on "Prioriteitennot." I think that many measures which we have included in our plan are applicable to Poland. I know for example that Poland has participated in UN operations for quite some time. Therefore, we could follow the same path in many matters. I think that we could cooperate in peacekeeping missions within the framework of CSCE. I would be glad to see us conducting joint peacekeeping exercises. I believe in the multilateral aspect of security—the fact that we have different national backgrounds may actually unite us. The armed forces of various countries should display that unity....

[Szymanska] During a recent session of the North Atlantic Cooperation Council it was France that blocked

several measures designed to develop the peacekeeping and civil emergency type of cooperation. Why, Mr. General?

[Van Breemen] The French do hesitate sometimes and favor the West European context in security matters. Besides, they are not the first who would support NATO operations outside the borders of the member countries.

[Szymanska] Do you think that the peacekeeping operations may become a new avenue for the NATO Cooperation Council and the Alliance itself?

[Van Breemen] This is exactly what I think. The Netherlands was one of the first countries that supported this idea in the context of CSCE. It is a great idea, in our opinion. It is also important from the military point of view, given the fact that NATO has the necessary resources to conduct peacekeeping types of operations. In contrast to the West European Union and other organizations, NATO already has the infrastructure and the command system in place.

[Szymanska] What is the Netherlands' position on the peacekeeping missions? Should they involve the UN, CSCE, the Cooperation Council and/or NATO?

[Van Breemen] Dutch public opinion tends to favor the UN in the context of peacekeeping missions and humanitarian aid. Still, in order to work within the UN framework, one has to use the already existing structures. Why should the existing NATO infrastructure not be used for this purpose? I think that this is a prevailing view in the Netherlands....

[Szymanska] How important for the Netherlands' security are its North Atlantic ties? Does the Netherlands intend to strengthen or relax them?

[Van Breemen] I think it is very clear. The Netherlands values very much its North Atlantic ties, especially with the United States. On the other hand, since the signing of the Maastricht Treaty we wholeheartedly support the idea of developing the European component of the defense system. This should find its expression in the West European Union, which in turn should strengthen NATO.

[Szymanska] Does this mean that France ought to become a full NATO member [again] one day?

[Van Breemen] I do not think that this will take place. I do not think that it is necessary either. We agreed in Maastricht that WEU would generally follow the NATO line.

[Szymanska] Does WEU threaten the North Atlantic ties in some way?

[Van Breemen] I do not think so. As long as we follow the provisions of the Maastricht Treaty and implement them one alliance may strengthen the other. In this sense I believe in the Maastricht Treaty.

[Szymanska] What are the prospects of cooperation between WEU and NATO?

[Van Breemen] I will repeat what I have said about the Cooperation Council. We should engage in practical cooperation instead of wasting our time on discussing organizational matters. Let's start from scratch. I believe in pragmatic solutions; they work. Other problems will be solved in due time.

[Szymanska] Are you not concerned that the reduction of the U.S. Army in Europe, envisioned by President Clinton, may weaken European security?

[Van Bremen] I hope that the U.S. commitment in Europe will remain visible.

[Szymanska] Given the fact that NATO has not clearly committed itself to the defense of [East Central Europe], we in Poland are concerned that our country may slip back into the Russian sphere of domination, back to the Cold War arrangements....

[Van Breemen] I can understand these concerns. But to repeat—if we take into account what is happening in the North Atlantic Cooperation Council and CSCE, as well as the development of bilateral relations and the situation in Europe, we can see tremendous progress. I truly believe that peace in Europe is a matter of concern for [all] European states. Therefore, now more than ever Poland's security is our problem while our security is your problem.

* World Bank Representative Views Economy

93EP0179A Warsaw *RZECZPOSPOLITA* in Polish
(Economy and Market Supplement) 4 Feb 93 p V

Article by Ian Hume, World Bank permanent resident to Poland: "World Bank Opinion of Polish Economy: Success Is Not Yet a Foregone Conclusion"]

[Text] Three years after the start of the program of economic transformations in Poland, it is worth reviewing the state of its economy and implementation of reforms, and considering its overall prospects. What can we see? Generally, there are many reasons for satisfaction—considering both the most recent trends in the economy and the overall reform program. But at the same time there are still certain phenomena that—if not dealt with properly—can threaten further progress or delay it.

It appears that the government of Premier Suchocka, since the time it came to power in July, has nearly pulled the Polish economy from the brink of the abyss. Since that time, it has created conditions such that Poland can again become the leader among reforming post-communist countries. That is a great achievement. Poland has every opportunity to take advantage of it and to make a fundamental change in a year or two. But this success is not a foregone conclusion at all. It can easily be frustrated by a political crisis or a bad policy that

weakens the discipline of economic management. Poland truly has the opportunity to achieve meaningful success; the only problem is what conditions it must meet.

Reform and the Economy

Looking at the implementation of Polish reform programs one can see two things: Reform is well advanced and is operating essentially in two directions. It is reacting to structural changes in the economy and is beginning to produce economic benefits. Three key elements of the initial program of economic changes introduced in January 1990 (the Balcerowicz plan) still hold, although they have been modified a bit. Succeeding governments have maintained—and this is to their credit—a stabilizing element based on strict macroeconomic discipline (tax, monetary and wage policies).

There are still pressures threatening the stability of monetary and fiscal systems, but up to now it has not reached the point of deviation on a macro scale. The same can be said about the liberalization policy, thanks to which free trade and free pricing have emerged and market forces have come into play. Despite the restoration of certain protective tariffs, the Polish economy is to a great extent open to competition and is functioning practically without major subsidies.

The third element—the conversion of state enterprises through their commercialization (conversion into stock companies) and privatization—is starting to take on momentum after a rather slow start. Evidence of progress is the privatization of about 2,000 enterprises and the commercialization of many more. Moreover, there is concrete proof¹ that the reaction of many state enterprises to new economic realities is the spontaneous development and undertaking of various restructuring programs. In a word, reform has "taken root" and is producing the desired effect on the economy. But how does the economy itself look?

Recently published data on economic results in 1992 offer a clear basis for satisfaction, and in many areas. Last year a slow but constant exit from recession occurred, as evidenced by results in exports. Significant growth in private sector activity has also been achieved, and it currently accounts for more than half of employment and almost half of PKB [Gross Domestic Product]. This was accomplished through an increase in competitive supply by the state enterprise sector that has undergone restructuring. A slowing of the rate of increase in unemployment has occurred. Inflation, though still too high, shows a decreasing tendency. And the currency is holding a steady course within expected limits.

In addition, recent data suggest that an increase in real household income is occurring.² This is also encouraging for other reforming post-communist countries three years after adoption of a program of changes.

If reform produces results and growth in the economy occurs, then this is a historical moment. Since Poland is currently, to a great extent, open to both foreign and

domestic competition, one must say that the growth occurring under these conditions must be competitive. What is coming to light foreshadows the beginnings of a Polish economy newly built from its foundations. The problem here is how to create and maintain economic impetus. This is precisely the fundamental problem for Poland.

Conditions for success

Everyone who has Poland's well being at heart (and other countries traveling the same road) should realize that the road to permanent revitalization will be bristling with difficulties. They must also remember it will be extremely important to enter into compromises with the goal of preserving and protecting the reform process. A soundly developing economy always serves group interests better, but when an economy is not developing properly and no concept of common good exists, group interests also suffer as a result.

Naturally, the future course of the Polish economy will depend on many elements, including, to a great extent, such elements as the course of economic revitalization in the West and a possible recession in Germany. And on this Poland has no impact. Yet to a high degree, Polish politicians, parliamentarians, entrepreneurs and labor unions themselves will determine economic success. And here one matter is not subject to discussion. Poland will not ensure economic reanimation by using only the stimulus of monetary policy. It must also maintain the discipline of this policy, at the same time removing certain structural obstacles to further growth.

What obstacles? One can reduce them to five basic ones:

- assuring and maintaining the cohesiveness of authority,
- decreasing fiscal imbalance, which threatens monetary stabilization,
- concluding the restructuring of banks and enterprises,
- reaching an agreement with the London Club, and
- unleashing social dynamics in the support of the march forward instead of opposing them.

Cohesiveness of authority

In contrast to France or Italy in the 1950s, where the governments were very unstable while the economy flourished, in Poland the role of the state in the economy is still very large. Thus, if the government lacks "consistency" in undertaking legislative and executive initiatives, it is clear that the pace of economic reform will be slowed and economic growth will suffer as a result. This issue touches all aspects of power, from the office of the president to parliament and the government itself, to the effectiveness of public administration. But one must admit that despite problems with the stability of its coalitions, Poland has not done badly at all. Changes are

occurring in the right direction, there is no element of nationalism or compulsion in political differences, and more converging than diverging points appear in the coalitions' aims. The current government, with significant support on the president's part, has managed to achieve ratification of tough laws and—more importantly—the Small Constitution. If all this can be used intelligently and if the existing inertia of the bureaucracy can be curtailed at the same time, this would have fundamental significance for ensuring the future growth of the Polish economy.

Fiscal Imbalance

Solving the Polish fiscal crisis is a fundamental condition for increasing monetary stability, without which inflation and interest rates will remain high. Polish fiscal problems are of a "structural" nature because they arise from the system, not from policy. This means they cannot be resolved through ordinary adjustment of expenditures and revenues. Systemic changes are necessary. This applies to both sides of the fiscal equation: there is a need to create a new system of public expenditures, as well as a new system of collecting taxes. In both spheres reforms are being introduced, but the government will need political support in implementing the new projected systems.

It must be said clearly and it should be plain to everyone that without such structural reform Poland will be overly susceptible to the pressures and pretensions that threaten state monetary stabilization. And this can hinder economic growth and expand the country's dependence on the help of foreign institutions.

Restructuring of banks and enterprises

One of the consequences of the fiscal crisis is that funds are moved through the banks from the sphere of production to the sphere of public expenditures. Burdened with significant unpaid debt, the banks view it as more profitable to lend money to the government than to enterprise. In this way, the banks are financing retirees and other social classes, instead of financing investment, production and the development of enterprises. The most important immediate goal in the domestic program of change at the current stage is to carry out a general operation to clean up the contact "field" of the debt and charges of state enterprises in the banks. Without this, the most important goal of reform in the country—effective commercialization and privatization of the sectors of production, both in industry and agriculture—will with all certainty, be subject to delay with almost certain negative consequences for general economic growth. The government currently has a well constructed program, which has the World Bank's support. There is a need to implement it quickly without putting up unwarranted claims in relation to the state deficit.

London Club

Even with its banking sector reformed, Poland will have to develop its domestic and foreign capital markets. The

current lack of an agreement with Poland's foreign commercial creditors is, generally speaking, an obstacle to the growth of the capital market and foreign investment. Poland cannot afford to postpone an agreement with the London Club on restructuring its foreign commercial debt. The lack of such an agreement is a structural barrier to the influx of new commercial capital to Poland; it makes it impossible for foreign banks to open branches in Poland and scares Western firms away, because it raises doubts as to Poland's credibility as a future creditor. The Polish government is on the eve of undertaking negotiations with the London Club. Carrying them to a conclusion without unnecessary delay has major significance.

Social dynamics

All post-communist countries carrying out reform face the same problems. The question is how to maintain public acceptance of the hard road that must be traveled during the implementation of changes. Poland's uniqueness stems from the fact that the actions of Solidarity paved the way for political changes and that at the start of economic reform there was broad social acceptance of them. The current challenge is to sustain it. The role of all labor unions in Poland is currently unsettled, but they have played an important role in calling attention to worker interests, especially by demanding from the government (and others) precision in defining the aims and effects of reform in various sectors. The government responded to this with the idea of a pact on enterprise, which became a proper and highly creative medium for establishing a consistent platform for dialog about the whole set of problems requiring solutions, toward the goal of accelerating restructuring and privatization. The pact filled in a twofold way the voids that appeared in the social consciousness. First, if it was clear to everyone that several elements of the reform program had to be implemented, then it was not known whether they would be suitable for or tied to each other. Second, no one knew how the voice of employees would be presented in planning and implementing programs and what system of public support the government would have.

Despite the pact's sound attributes, it has not yet been signed or ratified, and it is also in danger of becoming the object of a cynical game. Its adoption would surely be a positive step.

Why Poland Merits Attention

The commentators who try to foresee what Poland's probable future will be face an exceptionally tough challenge. The basic difficulty is how to deal with everyday fluctuations of optimism and pessimism, which spring in turn from often conflicting events with apparently opposite consequences. To which should one give credence? It is necessary to differentiate everyday events from fundamental issues. The latter—the people, Poland's natural wealth and its markets—look very good. Moreover, this country has shown in three years that if it wants to, it can. But in the opinion of many,

Poland is fighting with several tigers at once, and it is a true miracle that these simultaneous struggles have not yet caused even greater weakening of the country. The problems with which it is grappling are indeed tigers—deep recession with dangerous hyperinflation, profound modification of the economic system, conversion from totalitarianism to a parliamentary democracy, and the constant threat of social upheaval if the cost of reform were to be too painful. Just one of these tigers would have given a "headache" to any Western country. In Poland, it is amazing that delays, irritations because of the lack of vigorously undertaken decisions, and political conflicts are not greater or deeper, considering all the circumstances. There is only one reason: The foundation must be solid indeed. The country is strong and with patience and consistency perhaps it can soon negotiate the next turn.

Footnotes

1. Report of the World Bank on 75 state enterprises, December 1992.

2. Institute of Economic Development Household Survey, November 1992.

* World Bank Expert Discusses Farm Credit

93EP0179B Warsaw *RZECZPOSPOLITA* in Polish (Economy and Law Supplement) 5 Feb 93 p 1

Article by Antoni Kowalik: "World Bank Farm Credit: \$400 Million Available"

[Text] Of \$600 million, divided over three years and allocated in 1990 by the World Bank as credits for Polish agriculture, only \$200 million has been used so far, the director of the World Bank permanent mission to Poland, Ian Hume, informed the Senate agricultural committee on 4 February.

Only half of the credits designated for export development, in the amount of \$100 million, has been paid out. From another line, also \$100 million, which was intended to support agriculture, especially reconstruction of the institutions that serve it, not one loan has yet been awarded. A third line, which amounts to \$300 million and was to finance adaptation programs in agriculture and expansion of its infrastructure, has also remained only on paper. Putting this money into service can take place only after conclusion of an agreement with the International Monetary Fund, this following the Sejm's passage of a budget. Thus the first loans from this source will be possible no sooner than April of this year.

A number of factors determined the low level of use of the allocated credits, the senators emphasized during the committee's fourth meeting. Inflation, the high risk level, the period for return on capital, longer in agriculture than in other areas of the economy—all of this has discouraged investment. Entrepreneurs, especially in rural areas, are just now learning how to accomplish investment according to market rules. Added to this

were limits on obtaining these credits, such as the requirement to buy machines and equipment abroad, the inability to purchase land or buildings with the credits, ownership of a 20-percent personal stake, the requirement to prepare a study of the undertaking's feasibility, a business plan, etc. The intervention of Polish banks, which are obliged to add 20 percent of their own funds to the loan, which their limited capital does not always permit, has proved to be a very serious obstacle. The banks' requirement to give evidence of security and guarantees for the loan amount has proved to be the most difficult and discouraging condition that borrowers have to meet.

In Ian Hume's opinion, requiring guarantees from borrowers is a practice imported from the centralized economy and should not be used. Setting up such a condition has nothing in common with evaluating a borrower's reliability or the investment program that is to be financed with credits. And this should be the deciding factor in granting loans. After all, the bank collects interest for its risk.

In the mission director's opinion, the initiation of EC credits, which proved to be cheaper, and preferential loans for agriculture by Polish banks have also had an impact on the low level of use of credits offered by the World Bank. The EC line expires this year and World Bank credits will also become preferential, especially since withdrawal from the requirement of a 20-percent share of the intermediary bank's own funds has been announced.

Director Hume also said that the requirement of filing feasibility studies and business plans for investment projects will be observed with large loans, e.g., \$500,000. With smaller investors, applying for a loan of \$10,000 for example, the bank should deal flexibly and not require extensive analyses.

Responding to senators' questions, Hume confirmed that World Bank loans will not be used to finance purchases of land or buildings. But tenants, including those on PGR [large state farms] property, can take advantage of such loans. The adaptation line in the amount of \$300 million has raised much hope in rural areas. I. Hume said that \$80 million of this amount will be allocated for rural telecommunications development. The rest can be used to expand infrastructure, by local governments among others. Employee partnerships in PGR's can also use this money if they submit a credible operating program. But these funds will not go directly to borrowers. This will be a loan to the Polish government or, more precisely, the Ministry of Finance. After exchanging dollars into zloty, the money will be made available to the Ministry of Agriculture for loans to the Rural and Agricultural Development Fund. When asked what would happen if the budget deficit proves to be higher than the expected 5 percent, he answered that the initiation of this line would have to be negotiated.

The World Bank, it was said, is interested in cooperation with the regions. If programs such as the cultivation of Zulawy Wislane have been prepared, they should be submitted and negotiated. Future lines of credit from the World Bank that will be implemented in the near future will apply to the additional financing of these programs: privatization of PGR's and improving the forestry economy and reforestation.

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